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Markets Said Responding to G-7 Dollar Accord

OW0910020995 Tokyo KYODO in English 0144 GMT 9 Oct 95

[FBIS Transcribed Text] Washington Oct. 8 KYODO — Markets are reacting favorably to a Group of Seven (G-7) call for a further rise in the U.S. dollar, Bank of Japan (BOJ) Governor Yasuo Matsushita said Sunday [8 October].

Matsushita made the remark at a news conference after a meeting Sunday of the International Monetary Fund's interim committee.

G-7 finance ministers and central bank governors issued a statement after their gathering on Saturday, calling for continuation of the "orderly reversal" of the dollar's excessive weakness.

At the same press conference, Japanese Finance Minister Masayoshi Takemura said, "currency markets are moving in favor of the G-7 statement."

The dollar was higher against the yen in early morning trading in Tokyo, changing hands at 101.15-20 yen at 9 A.M., up from late Friday's quote of 100.50-60 yen in New York.

Japan's Finance Minister Addresses IMF Meeting

OW0910004495 Tokyo KYODO in English 2351 GMT 8 Oct 95

[By Keiko Tatsuta]

[FBIS Transcribed Text] Washington, Oct. 8 KYODO — Japanese Finance Minister Masayoshi Takemura told the International Monetary Fund (IMF) on Sunday [8 October] that Japan is studying the use of public money for liquidating failed financial institutions.

In a speech to the IMF's interim committee, Takemura said, "Japan will proceed with a study on public commitment, including the provisional use of public funds, to help wind up the affairs of bankrupt financial institutions."

The use of public money should be considered after "maximum measures within the banking industry" are implemented, Takemura said.

Acknowledging growing international concern about Japan's financial system, Takemura said Japanese financial institutions have steadily written off their bad loans.

The Japanese financial authorities have made efforts to ensure the stability of the financial system by promptly dealing with the recent series of financial failures to protect depositors, Takemura said.

On Japan's economy, Takemura said, "it is in a weak state, with its recovery stalled."

The finance minister expressed hope that Japan's latest pump-priming package, combined with a cut in its official discount rate in early September to a historic low of 0.5 percent, will help wipe out uncertainty over the outlook, secure economic recovery and contribute to sustainable growth of the world economy.

Takemura noted, however, that a series of recent economic packages have worsened Japan's fiscal conditions "remarkably."

"It is an urgent task for Japan to resume fiscal consolidation, as pointed out by the IMF," Takemura said.

Pledges Study on Public Money

OW0810225595 Tokyo KYODO in English 2250 GMT 8 Oct 95

[By Keiko Tatsuta]

[FBIS Transcribed Text] Washington, Oct. 8 KYODO — Japanese Finance Minister Masayoshi Takemura told the International Monetary Fund (IMF) on Sunday [8 October] that Japan is studying the use of public money for bailing out failed financial institutions.

In a speech to the IMF's interim committee, Takemura said Japan will proceed with a study on public commitment, including the temporary use of public funds, to help wind up the affairs of bankrupt financial institutions.

Acknowledging growing international concern about Japan's financial system, Takemura said Japanese financial institutions have steadily written off their bad loans.

The Japanese financial authorities have made efforts to ensure the stability of the financial system by promptly dealing with the recent series of financial failures to protect depositors, Takemura said.

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Takemura noted, however, that a series of recent economic packages have worsened Japan's fiscal conditions.

It is an urgent task for Japan to resume fiscal consolidation, as pointed out by the IMF, Takemura said.

NGO Three-Day Forum in Japan Ends on 8 Oct

OW0810104495 Tokyo KYODO in English
0940 GMT 8 Oct 95

[FBIS Transcribed Text] Okayama, Japan, Oct. 8 KYODO — Representatives of nongovernmental organizations (NGOs) in Japan and 14 other nations capped three days of talks Sunday [8 October] with an agreement to form an emergency rescue group to cooperate in the event of a regional disaster.

The Association of Medical Doctors for Asia (AMDA), which sponsored the Asia-Pacific rescue organizations forum, said the new group, the Asia Pacific Rescue Organization (APRO), will be based in Okayama, western Japan, where the AMDA maintains its secretariat.

AMDA officials said 16 international NGOs from Japan, the United States, Canada, Thailand, South Korea and other countries will belong to APRO, which will promote data and personnel exchanges, raise funds for rescue missions and contact relevant governments.

They said APRO will collect data through the Internet and set up a disaster training center and a college in order to contribute to international rescue operations.

Representatives of six Japanese NGOs participated in the meeting at Okayama, including one from Nishinomiya in Hyogo prefecture, which suffered badly in the Jan. 17 great Hanshin earthquake. Over 5,500 people died in the quake.

Officials of the UN Department of Humanitarian Affairs and Japan's Foreign Ministry and National Land Agency also attended the talks.

Also present at the three-day forum were officials of Australia's Austcare, the Indonesia Red Cross, the Girl Guide Association of Thailand and the U.S.-based International Medical Corps, as well as AMDA representatives from Bangladesh, Indonesia and the Philippines.

APEC Eminent Persons Group Report Summarized

BK0610085795 Bangkok BANGKOK POST
in English 6 Oct 95 p 32

[Unattributed report]

[FBIS Transcribed Text] A summary of the third report of the APEC [Asia Pacific Economic Cooperation] Eminent Persons Group:

APEC must move rapidly and effectively into its second phase: implementing the Bogor Declaration that set the target of achieving free trade and investment in the region by 2010 (for developed countries) and 2020 (for developing ones).

Hence, member countries must agree at Osaka on a convincing "down payment" on implementation of the Bogor pledges.

They can further Uruguay Round liberalisation by agreeing on a list of possible areas for acceleration. Individual APEC members can choose one or more, implementing them on a Most-Favoured-Nation basis, reducing by half the transition periods for implementing trade liberalisation and regulatory reform already committed to in the Uruguay Round.

Industrialised economies should choose: to shorten the transition period for tariff cuts from four years to two; accelerate reduction in agricultural subsidies from six years to three, increase by 50 percent the volume of imports under the Multi Fibre Arrangement; reduce tariff or remaining nontariff barriers beyond levels agreed upon in the Uruguay Round.

Developing economies should choose: to cut in half over five years the gap between their bound and current applied tariff rates; cut in half the transition period for most new intellectual property disciplines; cut in half transition periods to eliminate prohibited trade-related investment measures: cut in half the phaseouts of export subsidies from eight to five years.

A dispute mediation service emphasising mediation and conciliation rather than arbitration, should also enable third parties to make their views known at the outset of the process. If mediation and conciliation fail, a special review panel would make an objective assessment of the dispute.

Members should seek to reduce unproductive differences in competition policies over the long run, launching major studies aimed at identifying differences in competition law and policy and why these differences exist.

Wider product standards and testing procedure must enhance the principle "tested once, accepted everywhere in APEC".

General Principles in Osaka Agenda Unchanged

OW0610142295 Tokyo KYODO in English
1342 GMT 6 Oct 95

[By Siti Rahil]

[FBIS Transcribed Text] Singapore, Oct. 6 KYODO — Japan has left intact a list of general principles for creating free trade among members of the Asia-Pacific Economic Cooperation (APEC) forum by 2020 in the third draft "Osaka Action Agenda" amid a dispute over some of these principles.

The draft, a copy of which has been obtained by KYODO NEWS SERVICE, includes without any modification the principles of "comprehensiveness," "diversity" and "nondiscrimination" which APEC members are having difficulty agreeing on due to domestic political pressures.

APEC sources said Japan, the current chair nation, left the nine general principles as they are because last month's special session of APEC senior officials in Hong Kong failed to iron out members' differences on these principles, which are considered the most serious points of contention in the action agenda.

Japan has circulated the draft, dated Oct. 2, to APEC members for discussion at the fifth special session of APEC senior officials in Tokyo, which begins Monday [8 October].

But senior officials are not expected to make further changes to the list of principles in Tokyo as it is beyond their capacity to resolve such politically sensitive issues. They will let APEC trade and foreign ministers make a compromise in Osaka next month.

The action agenda — aimed at implementing APEC leaders' declared goal last year of free trade and investment by 2020 — is to be adopted by APEC ministers and proposed to their leaders for endorsement at the summit meeting in Osaka on Nov. 19.

On comprehensiveness, some members such as the United States and Australia believe APEC should liberalize all sectors, including agriculture, which is politically sensitive for some other members, including Japan and South Korea.

But others, especially Asian economies, prefer a flexible timetable because of the "diversity" principle, which says "flexibility will be exercised in allowing differential treatment of economic sectors...[ellipses as received] taking into account the sectoral specificity in each APEC economy."

At the special session in Hong Kong, those western members wanted the principle of diversity to be deleted because of their worry that this would enable Japan, Taiwan and South Korea to exclude their sensitive sectors, APEC sources said.

But since most members want the principle to remain, APEC ministers will probably retain the list, making only small changes to the wording in elaborating each principle, said sources from Japan's Ministry of International Trade and Industry.

One of the critical changes APEC ministers will have to consider at Osaka is the word "sectoral specificity," a technical term used among international trade negotiators to mean the agricultural sector.

Japanese Foreign Ministry sources said that if one reads the comprehensiveness principle together with the diversity principle, this would imply flexibility.

But as the Japanese Government is facing strong pressure from Liberal Democratic Party (LDP) politicians representing the farming constituencies, who are adamant about excluding agriculture, there may be no other course but to wait for "foreign pressure" when the ministers meet in Osaka to sway these politicians.

The other general principles listed are consistency with GATT/World Trade Organization (WTO) agreements, comparability, transparency, standstill, simultaneous start, continuous process and differential timetables, and economic and technical cooperation.

Japan's "partners for progress" proposal to use the forum as a vehicle for mobilizing aid to the region's less developed economies has been deleted from the principle of economic and technical cooperation in the third draft despite its inclusion in the second draft.

Japan had wanted the proposal to feature prominently in the action agenda because Foreign Minister Yohei Kono proposed this at the APEC ministerial meeting last year and it was included in the APEC ministers' joint statement.

But the proposal has not been well-received, with the developed economies worried that they will have to fork out money while developing members are unsure whether it means they will be getting additional Official Development Assistance (ODA) from Japan.

After its preamble, the action agenda is divided into two parts, the first dealing with liberalization and facilitation and the second with economic and technical cooperation.

Part One includes the nine general principles, framework for liberalization and facilitation, multilateral initiatives and action in specific areas. It says APEC economies are to submit their respective action plans at next year's ministerial meeting in the Philippines, and implementation will start in January 1997.

Part Two mentions three essential elements for economic and technical cooperation — developing common policy concepts, engaging in joint activities and pursuing policy dialogue.

It listed with elaboration 13 specific areas for such cooperation, including human resource development, industrial science and technology, and small and medium enterprises.

Union Leaders Ask To Observe APEC Panels

OW0710110695 Tokyo KYODO in English 0925 GMT 7 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 7 KYODO — Labor union leaders from members of the Asia-Pacific Economic Cooperation (APEC) forum urged Prime Minister Tomiichi Murayama on Saturday [7 October] to allow labor unions to observe talks at APEC working committees on social issues.

They asked Murayama, who will chair the APEC meeting in November in Osaka, to pursue discussions at the meeting which reflect opinions of labor unions on social problems such as discrimination and poverty, union officials said.

The labor leaders from Japan, South Korea, Hong Kong and 12 other APEC members also requested the permission to participate as observers in working panels on human resources and fisheries, the officials said.

Murayama said he would make an effort to reflect their opinions, but that it is difficult to put the labor issue on the common agenda since APEC members have a variety of different political systems and economies.

The leaders are members of the Asia-Pacific Labor Union Network of the International Confederation of Free Trade Unions (ICFTU).

The network was set up in September by labor unions in 15 APEC members belonging to the ICFTU.

Japan Urged on Free Farm Trade With APEC

OW0910040295 Tokyo KYODO in English 0343 GMT 9 Oct 95

[FBIS Transcribed Text] Washington, Oct. 8 KYODO — Southeast Asian finance ministers urged Japan on Sunday [8 October] to drop its call for excluding farm products from a trade liberalization plan to be adopted by the Asia-Pacific Economic Cooperation (APEC) forum, a senior Japanese official said.

The request came during a meeting between Japan's Finance Minister Masayoshi Takemura and his counterparts from Indonesia, Malaysia, the Philippines and some other countries of the Association of Southeast Asian Nations (ASEAN).

The official said the ASEAN side proposed that Japan agree on "farm cooperation" in formulating an action agenda on trade and investment liberalization for an APEC meeting in Osaka in November.

Takemura told them that agriculture is a sensitive area for Japan, and declined to offer a specific response, the official said.

Japan which will host the APEC meeting, has been asking for flexibility in defining the principles of comprehensiveness in the action plan in a bid to open room for excluding "sensitive" areas such as farm trade.

Among other issues, ASEAN ministers promised that they would comply with the provisional agreement and the ongoing negotiations on financial services under the World Trade Organization, the official said.

He said the ASEAN side welcomed Japan's efforts to curb the yen's rise.

APEC 'High-Level' Meeting Opens in Tokyo

OW0910004995 Tokyo KYODO in English 0021 GMT 9 Oct 95

[FBIS Transcribed Text] Oct. 9 KYODO — Senior officials from the Asia-Pacific Economic Cooperation (APEC) forum began a meeting in Tokyo on Monday [9 October] in an attempt to put the finishing touches to a set of action plans to be adopted at the APEC informal summit in Osaka next month.

Officials from the 18 APEC members, encompassing an area that accounts for nearly 50 percent of global trade, will meet for five days for their final gathering ahead of the Nov. 19 APEC summit in Osaka.

Japan, as the chair of this year's APEC round, is required to take strong leadership in formulating the so-called action agenda, a set of trade and investment liberalization guidelines due to be formalized at the Osaka summit.

The Tokyo meeting, the fifth high-level meeting of this year's APEC round, provides the last chance for APEC members to iron out their differences over trade-freeing principles, especially sensitive agricultural trade.

The first two days of the Tokyo session will be devoted to how to materialize trade liberalization and facilitation in the Pacific rim, two of APEC's three major pillars.

The remaining pillar of economic cooperation within the APEC area will be taken up for three days starting Wednesday.

All are aimed at working out action plans meant to achieve goals envisioned in the APEC summit in Bogor, Indonesia, last November, which set the year 2020 as the deadline for transforming the APEC area into a free trade and investment zone.

A focal point in the just-started meeting is how to coordinate differences over APEC's principle of comprehensive application of trade-freeing goals to all industrial sectors.

Japan, South Korea and China demand the exclusion of farm trade from the principle, seeing such trade as "sensitive areas" which would be dealt a blow if comprehensiveness, or uniform application of APEC accords to all sectors without exception, is introduced.

But agricultural-exporting members like the United States and Australia will not budge, saying no exception should be allowed.

Japan

Survey Shows Assemblies Urge SOFA Pact Review

OW0710110795 Tokyo KYODO in English
0911 GMT 7 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 7 KYODO — Some 184 local assemblies across Japan including all of the southernmost prefecture of Okinawa have adopted or will soon adopt resolutions urging a review of the agreement governing the status of U.S. servicemen in Japan, according to a KYODO NEWS SERVICE survey.

The calls for a review of the Japan-U.S. Status of Forces Agreement follow the alleged abduction and rape of an Okinawan elementary schoolgirl by three U.S. servicemen early September which caused a major public outcry.

Especially under attack is a provision in the accord that permits U.S. authorities to hold U.S. service personnel who are suspected of committing crimes until they are formally indicted by Japanese authorities.

The three suspects in the Okinawa rape case, two U.S. Marines and one sailor, were handed over to Japanese authorities directly after their indictment by Japanese prosecutors Sept. 29.

In their resolutions many assemblies denounced the accord as hampering investigation of the rape case. The United States insists that the accord allows the taking of all necessary measures to deal with criminal offenses by members of the U.S. Forces.

The governors of the 14 prefectures that house U.S. military facilities are considering a direct appeal for a review of the bases agreement when they meet in late October.

Of the resolutions covered by the KYODO NEWS SERVICE survey, 18 were passed by prefectural assemblies, firstly that of Okinawa, and 166 by assemblies of cities, towns and villages, most of them in the neighborhood of U.S. military bases such as Yokosuka, Kanagawa Prefecture, just west of Tokyo, and Iwakuni, Yamaguchi Prefecture, western Japan.

Despite the largely common demand for a review of the bases agreement, the resolutions differ widely in their content. The city of Toride, Ibaraki Prefecture, northeast of Tokyo, wants a total overhaul of all bilateral security arrangements including their very foundation — the Japan-U.S. Security Treaty.

About a dozen communities refrain from attacking the bases pact, while voicing protest at the rape incident and urging military leaders to tighten discipline.

The assembly of Sasebo in Nagasaki Prefecture, southern Japan, warns that "calls for a review of the bases agreement could trigger an uncontrollable debate about other agreements under the Japan-U.S. Security Treaty."

Shishikui and two other assemblies in Tokushima Prefecture, on Japan's smallest main island of Shikoku, demand that U.S. aircraft stop their low-flying exercises in the region.

Yoshihiko Tsuchiya, governor of Saitama Prefecture, just north of Tokyo, told his assembly, "we aim at the return of U.S. base land in the prefecture" and pledged to push these demands in the governors' meeting.

Nagasaki Gov. Isamu Takada suggested a tie-up with other prefectures with U.S. bases. "Since this is a difficult problem, it might be more effective if we lobby for our interests together with other prefectures," he said.

Japan and the U.S. established the joint study group to improve the implementation of criminal jurisdiction procedures under the Status of Forces Agreement.

A Foreign Ministry official said, "we are in the stages of examining what would have to be changed should a review of the bases agreement become necessary."

Grass Roots Support Ota's Stance on U.S. Bases

OW0810080295 Tokyo KYODO in English
0748 GMT 8 Oct 95

[FBIS Transcribed Text] Naha, Japan, Oct. 8 KYODO — Okinawa Gov. Masahide Ota has received hundreds of letters and phone calls in support of his opposition to the practice of forcing reluctant local landowners to lease land to the U.S. military, prefectural officials said Sunday [8 October].

Since Ota told the prefectural assembly Sept. 28 that he will not sign documents necessary for continuing the forced rental of land plots inside U.S. base compounds in the island prefecture, his office has been swamped with more than 450 letters of support.

Most of the writers urge Ota to hold out against pressure from the central government, which has promised the United States that the leases will be extended before their expiry next March.

The governor has also received 10-20 supportive phone calls per day, mainly from ordinary citizens who are not usually politically active, the officials said.

In addition, some 200 teaching staff from seven universities in Okinawa plan to publish an open letter in support of Ota, and even opposition members in the

Prefectural Assembly have hailed the governor for his resolute stance.

"I don't think that the central government is seriously pressing for a reduction of U.S. military bases. My party recognizes the U.S.-Japan Security Treaty, but as an Okinawan resident my support of Ota is only natural," said Yoshihide Isa of Shinshinto (New Frontier Party).

Ota announced his refusal to cooperate on the leases in the wake of the rape of a 12-year-old Okinawan schoolgirl, for which three U.S. servicemen have been indicted. The incident fueled local sentiment against the massive U.S. military presence in Okinawa and sparked calls for troop reductions.

There are nearly 30,000 U.S. troops in the prefecture, where about 75 percent of U.S. military facilities in Japan are located. The prefectural government has said it is ready to face a lawsuit from Tokyo over the matter rather than giving in.

Coalition Parties Disagree on Cost-Sharing Pact

OW0610120595 Tokyo NIHON KEIZAI SHIMBUN in Japanese 6 Oct 95 Morning Edition p 2

[FBIS Translated Text] The ruling coalition parties are in discord on Diet deliberations on the Japan-U.S. special agreement on Japan's cost-sharing of expenses for U.S. Forces in Japan [USFJ]. The two nations' foreign and defense ministers signed the agreement at the bilateral security conference (the so-called two plus two talks) in New York last month. The Social Democratic Party of Japan [SDPJ] has decided to take a prudent stance toward early ratification of the special agreement, in consideration of sentiments of Okinawan people; however, the Liberal Democratic Party [LDP] insists the Diet should ratify the agreement as early as possible. Opinions of the coalition parties are totally different on this issue.

The new special agreement (to cover fiscal 1996 to 2000) stipulates Japan should pay costs for removing some USFJ training events, in addition to utility and labor costs covered in the agreement in effect. When the Diet approves the new agreement, Japan's annual expenditures for the USFJ will increase about 3 billion yen.

On 4 October, the SDPJ's foreign policy panel noted the Diet's careless handling of the agreement on Japan's larger spending for the USFJ will "stimulate Okinawan people's anti-U.S. sentiments," rapidly worsening over the case of U.S. soldiers allegedly raping an elementary schoolgirl. The SDPJ panel decided to request the government to give adequate consideration before submitting the agreement to the Diet, noting the need to "watch the U.S. Government's responses to the Okinawa rape case and developments of Japan-U.S. negotiations on better implementation of the bilateral Status of Forces Agreement [SOFA]."

The LDP held a joint meeting of three defense-related policy boards on 5 October. Some attendees, including Masakuni Murakami, secretary general of the general assembly of LDP members in the upper house, sternly criticized the SDPJ's attempt to link the special agreement with the Okinawa issues, saying, "The new special agreement is an international pledge officially concluded between Japan and the United States. This should be discussed separately from the SOFA issue." The LDP lawmakers then agreed to urge coalition partners to ratify the agreement as soon as possible.

The SDPJ stressed its basic position is "to maintain security ties with the United States" (as noted by a senior official). However, the SDPJ still has many leftist members who are unhappy with the Japan-U.S. Security Treaty. Some LDP members are expressing their distrust of the SDPJ's security policy, as a senior member said, "the SDPJ has long been sticking to nonmilitary and nonalignment policies, and SDPJ members have no sense of security affairs."

USFJ Cost-Sharing Accord May Not Be Ratified

OW0610120795 Tokyo NHK General Television Network in Japanese 0105 GMT 5 Oct 95

[Announcer-read report; from "NHK News" program]

[FBIS Translated Text] The Social Democratic Party of Japan [SDPJ] decided to take prudent manners regarding ratification of the Japan-U.S. special agreement on Japan's cost-sharing of expenses for U.S. Forces in Japan [USFJ]. If no progress is made on the SDPJ's proposal for a revision of the Japan-U.S. Status of Forces Agreement [SOFA], the SDPJ may not ratify the agreement within the ongoing extraordinary Diet session.

The new special agreement stipulates Japan's larger cost-sharing of USFJ expenses. Foreign Minister Yohei Kono and U.S. State Secretary Warren Christopher signed the paper 27 September.

The SDPJ's foreign policy panel met yesterday to discuss the ratification of the bilateral accord; however, several attendees noted that the public is calling for SOFA revision in connection with the Okinawa rape case by U.S. servicemen; and, under such circumstances, it would be very difficult to obtain public approval of Japan's larger expenditures for the USFJ.

In conclusion, the SDPJ panel decided to take a prudent stance regarding the special agreement's ratification unless the SDPJ obtains some progress on its proposal for SOFA revision. In that case, the panel noted the SDPJ should consider postponing ratification of the cost-sharing agreement.

Editorial Urges Consolidation of U.S. Bases

OW0610121195 Tokyo YOMIURI SHIMBUN in Japanese 5 Oct 95 Morning Edition p 3

[Editorial: "Consolidation of U.S. Military Bases and the Japan-U.S. Security Arrangements"]

[FBIS Translated Text] In the wake of the rape of a schoolgirl by U.S. servicemen, the issue connected with U.S. military bases in Okinawa Prefecture has come into question. Concerning this issue, Foreign Minister Yohei Kono and U.S. Ambassador to Japan Walter Mondale reached an accord on making maximum efforts to consolidate and reduce the number of bases, and also promised to speed up efforts to work out measures for better implementation of the Japan- U.S. Status of Forces Agreement.

Japan-U.S. security arrangements should be maintained and further developed in the future. Based on this standpoint, certain appraisal should be given to the details of the accord reached.

At present, 75 percent of U.S. military bases in Japan are concentrated on Okinawa. In the 50 years following the end of the war, Okinawan residents have been forced to bear burdens in various forms. It is most certain that what lies behind the prefectural residents' reactions to the recent rape case are issues related to the military bases.

It is observed that in refusing to sign documents forcing the landowners to continue leasing land to the U.S. Forces, Governor Masahide Ota must have taken such feelings of the prefectural residents into consideration.

When the current situation in Okinawa is taken into account, it is proper that as much effort as possible should be made to consolidate and reduce the number of U.S. military bases because Japan-U.S. security arrangements cannot be established without mutual trust between the governments and peoples of our two countries and also the understanding of residents under local governments that are involved with base-related issues.

It is reported that the Japanese Government is now engaged in coordination with the U.S. Government on including the base issue in the joint statement on reaffirming the security arrangements to be announced in November.

The point at issue now is that the reduction and consolidation of military bases will be attended with considerable difficulties.

Five years ago, it was agreed that procedures should be carried out for the return of 23 land lots. However, land lots were actually returned or final accords were reached on the return in only 13 cases. An accord on settling three cases, including the plan for shifting the Naha Naval Port facilities, was reached at the Japan-U.S. defense summit held last May. However, prospects for settling these cases are still far from certain because of various reasons. For example, the local government [Urasoe] that has jurisdiction over the designated site for shifting the port is opposed to the plan.

It is feared that the promise for reducing the number of and consolidating military bases will end up merely as an "o-daimoku" [argument without any substance and is merely regarded as sort of a chanting prayer]; on the contrary, it may result in intensifying opposition among the residents.

The U.S. Defense Department disclosed its policy of continuing to maintain a force of 100,000 in the Asian-Pacific region in its "Report on the East Asian Strategy" issued last February. Military bases on Okinawa have played an important role in this military deployment. The governments of both countries should be urged to use every discretion and take ingenious measures in dealing with this issue lest the reduction and consolidation of military bases should constitute an obstacle to smooth implementation of the Japan- U.S. security arrangements.

One alternative is for the Japanese and U.S. Governments to take advantage of this opportunity to conduct a joint review of U.S. military bases, and if any base is found to be unnecessary, measures should be taken to rearrange the bases. To promote, even merely a little bit, the plan of shifting military bases, the two governments should study the possibility of making mainland Japan share the burdens now concentrated on Okinawa.

As for Governor Ota who has refused to sign documents on behalf of landowners, we hope that he will comply with the request for holding talks with central government officials, such as the Defense Facilities Administration Agency director general.

If the governor should take the position of siding with those who contend the need "for abolishing the security arrangements," then we would like to urge him to reconsider the issue. On the contrary, if he understands the significance of the Japan-U.S. security arrangements, we hope that he will take a cool view in dealing with the issue so as to work out a practical solution.

We are concerned that if the issue should become further complicated, it would affect not only security arrangements but also the overall Japan-U.S. relationship. The government should spare no efforts to win the understanding of the Okinawan residents and other Japanese as well by providing them with further explanations of the issue.

Professor Views Anti-U.S. Sentiment in Japan

952A0643A Tokyo SHOKUN in Japanese Jul 95 pp 40-52

[Article by Masataka Kosaka, Kyoto University professor: "Japanese as Well as Americans Should Do 'Homework'"]

[FBIS Translated Text] We must realize that economic friction between the United States and Japan is merely a reflection of domestic politics.

I. Unspoken Resentment of the United States

As the 50th anniversary of the end of World War II approaches, U.S.-Japanese relations have taken a turn for the worse.

Earlier this year, while Japanese commentators were blaming the sharp drop of the dollar against the yen on the United States, the U.S. Government was threatening Japan with sanctions unless it imported more U.S.-made automotive parts. When talks broke down, the United States considered applying sanctions on Japan pending the outcome of an appeal to the WTO [World Trade Organization]. This was strange, because members of the WTO are not supposed to retaliate unilaterally. It is even stranger to argue one's case before a court and then retaliate before a ruling is handed down.

While I was disgusted by the behavior of the U.S. Government, I would not describe myself as *kenbei* [dislike for the United States]. This word is not simply something coined by the press, as public opinion polls have recently demonstrated. According to the latest WALL STREET JOURNAL/NIKKEI SHIMBUN poll, the percentage of Japanese who are fond of the United States has clearly decreased. Nearly two-third of Japanese mentioned China as the country most important to the future of Japan. About 40 percent of Japanese believe that the country cannot depend on the United States for defense. Less than 50 percent believe the United States is a reliable ally. The real problem is one of emotion, something suggested but not adequately grasped by the public opinion poll.

Actions are just as important as words, and our behavior indicates that U.S.-Japan relations remain close. More Japanese have visited the United States than any other country. According to some polls, as many as one-in-four Japanese have spent some time in the United States. I find it hard to believe that these people, compelled by necessity, reluctantly visited the United States. From my experience with exchange programs, the overwhelming majority of Japanese choose to study at U.S. universities. In contrast, visits to China are extremely limited. While the United States accounts for an increasingly smaller proportion of Japanese trade with the world, it still accounts for a much larger percentage than any other country. The composition of trade is also more diversified. The U.S.-Japan Security Treaty, moreover, is supported overwhelmingly by the Japanese people.

True, the United States does not suit many Japanese. This is to be expected. While increasing contact between the two peoples has been mutually beneficial, it has also produced some cultural friction.

While many have tried to resist the postwar intellectual dominance of the United States, it is difficult to deny. Japanese emotions toward the United States throughout the postwar period have been highly ambivalent. According to opinion polls, the number of Japanese who are fond of the United States is still substantial. However, they invariably have harsh words for the United States, which they regard as too demanding. It is truly remarkable how fond the Japanese are of their former enemy and conqueror. Now, 50 years after the war, their complaints against the United States can almost be viewed as a return to normalcy.

Be that as it may, Japanese feelings toward the United States dangerously resemble those of the 1920's and 1930's, just before the break down in relations. These sentiments were most adequately expressed by Mokutaro Kinoshita, physician and poet. According to Shoichi Saeki, Kinoshita "harbored resentment toward the United States in his innermost heart." The phrase "innermost heart" is critically important because I believe such feelings are difficult to capture in an opinion poll. Kinoshita was a gentle person, slow to anger. On the surface, he seemed to be fond of the United States. He even spent some time there. But resentment festered in his heart.

One cause of Kinoshita's resentment can be traced to the U.S. press. He wrote the following while leaving New York harbor aboard a passenger ship:

"I feel much better knowing that I am leaving behind the U.S. newspapers. When criticizing the Anglo-Japanese alliance, they go on and on about arms reduction and the problems of the Far East. Even though they are not slanderous or abusive, I feel harassed. These newspapers leave a bitter taste in my mouth."

This passage may be a reflection of Kinoshita's anti-populism, but I think not. His bitter thoughts reflect the mood of the times in politics and diplomacy. Kinoshita's stay in the United States coincided with the Washington Conference, and most U.S. newspapers were carrying on as though the Anglo-Japanese alliance were the root of all evil and that the military build up in East Asia would precipitate a war. On the face of things, this opinion does not seem to be wrong. However mistaken the general perception that World War I had ended the age of imperialism, the world at the time was still divided among the imperial powers. Britain and France had expanded their spheres of influence to include the Middle East. Nearly all Japanese believed that both Japan and the United States were imperial powers. It is not surprising that Kinoshita resented the United States, which he believed was trying to carve up the world according to its own principles. Taking full advantage of popular opinion, the U.S. government was using power politics to break up the Anglo-Japanese alliance. Even the pro-U.S. admiral, Masanoyuki Yamanashi, referred to the Washington and London arms control conferences as "a war in which no shots were fired."

II. U.S. Ideology Rigid

This style of U.S. diplomacy is still the primary cause of Japanese "resentment." The problem with U.S. trade policy is the strategy of bearing down on Japan. There has been economic friction between the two countries for as long as anyone can remember. But, given the amount of trade and the rapid rise of Japanese industrial might, it would be strange if it had not occurred. The United States has sought export restrictions on Japanese goods, but this policy has been principled and is practiced by nearly every country in the world. Perhaps the sole exception was the demand for export restraints on Japanese textiles in the late 1960s when the U.S. industry was not suffering from import competition. Even the numerical restraints on the export of Japanese automobiles were not that severe. Besides, what kind of government would be indifferent to the fate of one of its core industries? As Heizo Takenaka has written, depressed corporate earnings and the rise in unemployment caused "some real pain."

Trade friction, however, has continued into the 1980s and 1990s, despite the fact that the U.S. and Japanese economies have been performing well. If anything, U.S. demands for the liberalization of the Japanese market have become even more strident.

Because it is the source of Japanese resentment in recent years, the cause of these persistent demands deserves close attention. However, it is important to note that this pressure has not really been all that severe. When Japan has had sufficient reason to resist, a compromise has usually been worked out.

Over the past several years, however, the U.S. cannot possibly justify its behavior in these disputes. The most glaring case is the "Super 301" clause in the Omnibus Trade Act of 1988, which calls upon the United States to negotiate bilaterally, not multilaterally, with trading partners considered to be engaging in "unfair and unreasonable trading practices." If these negotiations are not concluded after one year, the U.S. government must "retaliate" or, as they prefer to say, apply "sanctions."

The U.S.'s simple faith in "market economics" deserves attention here. It is widely regarded as a panacea or cure-all. The costs and trade-offs associated with a market economy are hardly ever contemplated. Americans seemed to be quite sincere when, after the collapse of communism in the Soviet Union, they strongly recommended a swift conversion to a "market economy." In contrast, hardly any Japanese leader thought it should make a swift conversion. Of course, in reality, things are not that simple. Even the United States does not support a policy of genuine free trade. It has preserved a somewhat protectionist system with a number of trade restrictions. It could even be argued that U.S. agriculture receives more government assistance than Japanese agriculture. It is this contradiction between rhetoric and reality that generates so much resentment.

The United States adheres single-mindedly to its ideology, often in complete disregard for the basic principles of economics and international relations. Take U.S. demands that Japan open its markets and reduce its international trade surplus, which I believe are important to pursue in their own right. The United States links its demands to its own current account deficit. The U.S.'s international trade deficit is a real problem and must be reduced, but economic common sense dictates that the deficit will not go down so long as the U.S. government, U.S. corporations, and the American people all continue to "overconsume." This economic truth is accepted by every American economist I know personally, without exception. It is a mystery why the U.S. government and American people show complete disregard for it.

This memory lapse is exhibited in international relations where the United States carries on a one-sided conversation about justice and fairness while threatening retribution or sanctions. Its ideology is of little use to the world today. Could it be that Americans are completely obsessed with their own rights and privileges? The international community has the WTO to settle trade disputes based on the principle of multilateralism. Despite the fact that the principles of justice and fairness are used in its decisions, the United States has decided that it can pass judgment unilaterally. It seems to have forgotten the basic fact that under international law the United States is only one of many countries in the world.

Another example of a one-sided judgment is U.S. opposition to the EAEC [East Asian Economic Caucus]. It is odd that, having created NAFTA, the United States should oppose the EAEC. This glaring contradiction, one would think, could not be ignored. But from the standpoint of the U.S. government, NAFTA is open while the EAEC would be closed. Here again, the United States has interpreted things unilaterally. I myself do not believe that Japan should support or participate in the EAEC. But I also oppose NAFTA, not just because it is contrary to the principle of free trade, but for reasons that I will address later in this essay.

It would of course be a gross exaggeration to say that U.S. conduct has been without fault. The United States has done nothing or said nothing about its own problems while taking action against others. In a word, it has not done its "homework." Probably the most serious example is its failure to address its persistent federal budget deficits. Its laws regarding fiscal policy are at issue, and the United States itself realizes that balancing its federal budget is important to the stability of the international economy. The IMF and World Bank apply more stringent standards to other governments. The United States receives special treatment. Another example is the nearly universal practice of subsidizing agriculture. The United States is selective as to which types of subsidies it attacks. If it conforms to its ideology then it is not a serious matter, but if it does not then the United States turns it into an international issue. This breeds resentment.

III. United States and Japan Should Do Homework

Japanese believe that one should not adopt an "adversarial" negotiating style. But most Americans consider it to be normal. In the opinion poll, only 7.4 percent of Americans believed that U.S.-Japanese relations were not good, compared to 29 percent of Japanese. We should probably accept the situation, knowing that "making demands makes some people feel good." It is common among Americans to make demands of each other in fairly harsh tones. This style of argument, with frequent appeals to principle, has been characterized by many leading European thinkers as quintessentially "American." But this style not only breeds resentment among Japanese and other peoples, it is diplomatically dangerous.

More importantly, the substance of U.S. assertions or claims are at best completely ineffective. Slogans such as "breaking open the closed Japanese market" accomplish nothing, even though many people realize that we should liberalize our economy. It is not a question of how open or closed the Japanese market is compared to the average country. Other countries use different kinds of protectionism, and compared to these Japan may not be particularly "closed." Japan is not your average country. Because of the many efforts and sacrifices of the Japanese people, our companies are highly competitive in world markets. As a result, we have the largest trade surplus in the world. This is the main reason for the high yen. Simply put, Japan earns dollars and other foreign currencies from exports, and other countries earn yen from imports. This balance is tilted strongly in favor of the former, causing an international shortage of yen which drives up the value of the currency.

Many people now realize that the high yen runs contrary to the national interest, and it is therefore in the national interest to increase imports. The U.S. argument is wrong-headed because it focuses on the effects of the Japanese trade surplus on the international economy and the U.S.'s trade deficit. It is always more wise to appeal to your negotiating partner's self-interest.

For this reason, numerical targets should not be adopted to increase imports from the United States. They would distort the international economy and are not in the best interest of either the United States or Japan. Looking at U.S. attempts to force Japan to make purchases of specific U.S. exports, one cannot help noticing a drop in the quality of U.S. politics. U.S. negotiators, with their faith in a confrontational negotiating style, do not gain anything from the use of force and rigid principles. It results only in rebuffs from the Japanese. The Americans become even more insistent and, waving their fists in the air, they lose any chance at compromise. Contrary to expectations, the Japanese view this as a good thing. The Office of the U.S. Trade Representative, ingratiating itself to the U.S. automobile industry by making forceful demands of Japan, is made to seem somewhat dishonest. The American negotiators do not seem to realize how easy it is to refuse such demands.

We understand that these trade issues must be resolved sooner or later, but we have largely avoided the issue. This has created difficulties for Japan. Therefore, when we are criticized by the United States, we must not avoid the issue but find a way to defend our national interests in an era of undependable U.S. leadership. We must argue our case before the WTO when appealing U.S. sanctions. But we must also do our homework, realizing that it is in our own national interest to bring imports and exports into equilibrium. We must relax regulations and increase imports, but not in response to U.S. demands.

By failing to do our own homework, we have allowed the United States to meddle in our domestic affairs.

The United States has also failed to do its homework. The U.S.'s current account deficit is the result of its persistent federal budget deficit and U.S. "overconsumption" in general. Both are contrary to their national interest and the cause of the weak dollar. Although some Americans are pleased by the weak dollar, it is against their long-term national interest. The weakening of one's national currency certainly cannot be regarded as a good thing. It would be wrong, however, for Japan to raise these issues in negotiations with the United States. Blaming each other for not doing our homework would be counterproductive. Since we already employ different negotiating styles, we would end up damaging relations even more. It would almost certainly degenerate into one of the more foolish disputes in world history.

IV. The United States' Legal Panaceas

I do not believe that the dispute between the United States and Japan has been entirely meaningless. It is good for human society that people employ different negotiating styles. Differences are not so great that people everywhere do not come to an eventual understanding and cooperate with each other. No matter what process is used, there are always going to be differences in people's degree of satisfaction and society's degree of equilibrium. The United States prefers to solve problems through adversarial relationships, while Japan chooses to do so by consensus. As a result, there has been little change and the degree of satisfaction among people differs. How to resolve such impasses is the focus of international relations.

This has also had an impact on the stability of the international community. I do not believe that the adoption of U.S. social practices by the entire world community would be a good thing. I do not even believe it would be possible. The United States is a "republic of ideas," in the words of Nagayo Honma. Therefore, whenever possible, Americans take refuge during disputes in principles. This distorts the negotiating process and leads to failure. They then reinterpret their principles and revive the negotiations. I do not believe that Americans are skillful negotiators even amongst themselves, and with the end of the Cold War and recent changes in the international community they will have to change their ways. From our perspective, the current dispute is based on their unreasonable assertions.

European intellectuals have continued to feel a sense of incompatibility with the United States. At the beginning of the twentieth century, an Englishman wrote "I fully realize both that the future belongs to the United States, and that it is essentially a barbarous nation." This statement aptly expresses the sentiments commonly held by many European intellectuals. Perhaps the word "barbarous" is too strong. "Uncivilized" would be more appropriate, since it is a word the English are fond of. The word "civilized" is difficult to translate into Japanese. It describes both a cultured as well as polite society. The opposite is a society that operates on the principles of strongly asserting one's own interests and solving disputes through adversarial debates. Europeans are fascinated by the power of this very alien negotiating style, but also realize the importance of friendly relations with the United States. The Japanese have also recognized this need, especially during the postwar period.

We must focus on the extreme demands the United States makes during negotiations and find a way to soften them. During the closing years of the Tokugawa Period, the word *burakasu* was used to describe the negotiating policy employed by the shogunate with the foreign powers demanding access to Japanese markets. This would not be the best policy to use today because *burakashi* did not work. But we must not imitate the U.S. negotiating style either. We must continue to use an essentially Japanese negotiating style.

The U.S. style of conducting foreign relations has many defects, and thus I believe that it cannot be used alone to construct a stable and prosperous international society. Ideals never adequately reflect reality, and thus assertions should be made mildly. Sometimes ideals are the wrong prescription, and therefore are very dangerous. Michel [Croget], a pro-American French intellectual, wrote in the 1980s that faith in rationality and unlimited social progress was the "U.S. disease." This faith, which he recognized as the source of U.S. power, was at best a dream and at worst a dangerous illusion. Since the 1960's, he has written, it has been the cause of every U.S. tragedy.

"When thinking, it is an absolutely necessity to be as rational as possible. Two times two equals four, and by correctly applying the multiplication procedure to other problems we arrive at results which are of the highest good, not the highest evil. But, we should also have an absolute faith in careful deliberation before taking action. This faith is important, because we easily and often delude ourselves when we take our formulas to extremes."

The world is a complicated place. If we attempt to rely on rational formulas to understand it, we will fail. Croget's thoughts on the U.S.'s belief in law as a panacea is particularly interesting.

"Popular debate in the United States today has degenerated into legal disputes. As they pursue rights as a people guaranteed in their constitution, such as quality of life and human happiness, the debate is always about issues of law. They think of the realization of human happiness only in terms of finding a simple method to distribute wealth fairly. This rigid debate centers around the various structures of society. What this has to do with social reform and progress is essentially left unsaid."

The inability of American legal scholars to "realize that there are different social groups in their country each of which having their own *raison d'tre*" has prevented them from considering the most important questions of societal well-being such as preserving the livelihood of their own people.

What Croget points out calls to mind U.S. arguments in recent trade talks. The United States has difficulty accepting the reality of economic mutual-dependency. NAFTA is one example that I mentioned earlier. That NAFTA is contrary to free trade is not the issue. The issue is that the U.S.-Mexican relationship has historically been complicated and difficult. The United States is deluding itself if it believes that legal rules and institutions to create a free trade zone and increase the flow of goods between the two nations will solve these problems. Since the creation of NAFTA, Mexican domestic politics have become unstable, imports have soared, and these factors have precipitated a currency crisis.

This is similar to the U.S.'s attitude toward APEC [Asian Pacific Economic Cooperation]. The United States insists on setting concrete targets and timetables for the elimination of trade barriers and the creation of institutions. But a close look at the Asia-Pacific region will uncover several reasons why this approach will probably fail. The peoples of the region could not be more different in terms of wealth, customs, values, and political systems. The Asian countries advocate continuing the dialogue on liberalization as far as is practicable, and undertaking some joint projects. This is the correct approach.

The existence of different approaches and priorities should be welcomed, including the U.S.'s. Different negotiating styles, ways of thinking, and problem-solving methods may be more necessary than many people realize for solving the most pressing issues facing international community in the future. For this reason, it is hoped that the United States is confronted with other approaches, and through this process we all learn something. Actually, such a debate occurred last year.

The Japanese negotiating style and manner of behavior also has deficiencies and clear limitations. It does not have the capacity to respond effectively to major changes in the world. A society that operates on the basis of consensus is effective only when society is essentially stable and traditional customs have been preserved. Because social tensions require the passage of time to resolve themselves, it is often believed that things ought not to be altered too much. But this is not the case when society goes through a fundamental change in attitudes and behavior, what is often called today a "paradigm shift." In times of upheaval, it is necessary to enunciate some principles and propose some theories. When a debate gets started in this manner, it is usually resolved. It is difficult to deny that theU.S. negotiating style poses a problem, but criticism will only make matters worse. A Japanese style discussion will never get started.

The Japanese negotiating style defends interests in an obscure manner. It has created ill feeling among Americans who believe that the Japanese automobile industry, to use one example, and the Japanese government are scheming to protect their own self-interest by keeping the market "closed." Even though Japanese tariffs have been lowered, it is still difficult to import because of innumerable small barriers such as the Fire Services Act and the Building Standards Act. It is no surprise that it is considered obscure and extremely frustrating by many people. I have seen the reaction of Americans. Although there are larger problems confronting the world at large, arguments laced with numerous small lies and falsehoods are even more contemptible than the use of pressure and force. The situation requires intelligent leadership.

V. The Dynamics of Domestic Politics

The confrontation between the United States and Japan has become mired in emotion. I cannot help feeling that it may become "unmanageable." I believe the dispute is counterproductive, given the pressing international need to assure the successful management of our increasingly global system, especially the deepening currency crisis. Most experts agree that the U.S.'s persistent current account deficit is to blame, though it was precipitated by the collapse of the Mexican peso. As I mentioned earlier, U.S. government policy toward Mexico is based on ideology. The United States cannot afford to neglect Mexico. There are already 20 million Hispanics in the United States, and the government has been unable to stem the tide of illegal immigration. They cannot ignore the existence of Chicanos who have continued to reside in the region that came into possession of the United States in 1845 during the Mexican-American War. If they also continue to ignore the 8-to-1 differential in per capita income, illegal immigration will increase and

U.S. society will be thrown into chaos. The United States and Mexico are not really separate countries.

If the United States had the overwhelming power it once had, it might have been able to succeed with the U.S. way of doing things. As the European Union has done, it might have created development plans for poorer regions, implemented them, eliminated subsequent problems, and aroused popular enthusiasm. But the United States does not have this reserve strength. It is seriously attempting to reduce its persistent current account deficit. The correct means is to raise interest rates, but higher rates have reversed the flow of short-term capital needed to support the Mexican economy, and precipitated the Mexican peso crisis. Because of the need to help Mexico, the United States cannot raise interest rates to prevent the dollar from weakening as Japan and Germany have requested. Mexico is an important country to the United States, and compared to the peso the dollar is too strong.

The explanation above is really a bit too simple. There are often mutually contradictory issues with which the United States will have to deal. A government policy that gives the illusion of rationality can be the cause of failure; even the mere adoption of such a policy might lead to failure. In the abstract this is true of anybody, but even the United States cannot manage all of the world's affairs alone. In dealing with the present international currency crisis, a number of Americans have argued that the United States must abandon this role. I myself think that U.S. leadership has been terrible. Even Japanese policy means are insufficient to resolve the problem. This is the basic affliction of the leading nations in this era of globalization. A negligent attitude has appeared concerning some of these problems as expressed in ideology and simplistic solutions. Although the root of the problem is the undeniable fact that the United States has not been doing its homework.

Japan is also at fault. The recent international currency crisis produced a "weak dollar" as well as a "strong yen." As mentioned earlier, the failure to increase Japanese imports has depleted yen reserves abroad driving up the value of the yen. Two experts on international finance that I highly respect, Richard Koo and Takashi Hosomi, have both made this point. Japan has made huge investments in the world, but sooner or later they will have to be converted back into yen.

Japan has to import more goods for countries to earn yen. But Japan has failed to increase imports. That is why the yen has appreciated on world currency markets. One has to conclude that the value of the yen has risen too high because Japan has failed to do its homework. Just as the weak dollar is "Made in USA," the strong yen is "Made in Japan."

Both sides criticize each other for not doing their homework. Not only is this unproductive, it is fraught with danger. I believe that both countries are mistaken for blaming each other in this time of "globalization" and "mutual dependence." People immediately call to mind international organizations when they think of international harmony and cooperation. While this is a natural reaction, it is completely mistaken. These organizations may be necessary, but are theoretically speaking not the solution. They already exist, and yet problems persist. Efforts at international harmony occur when nations, particularly the major nations, consider the international impact of their actions. International cooperation will only happen when all nations do this with all their actions. This is the logical consequence of having an international society characterized by decentralization. In a word, the basis of international society is doing one's homework carefully. It has always been this way, and it will always be this way.

Of course, that is not all that has to be done. For example, there is room for a discussion of a possible floating exchange rate system. Money is flowing across borders in unprecedented quantities, and thus a mechanism may be needed to regulate this movement. I believe that a floating exchange rate mechanism would require a large degree of homogeneity in the economic systems of the nations of the world — at the very least the major nations. However, such a mechanism may never come to pass and may even be undesirable in certain circumstances. The basic problems cannot be addressed in this essay. But suffice it to say, these problems have nothing to do with the most recent upheaval in the currency markets. We can discuss whether or not the world economy should be homogenous, and we can contemplate various mechanisms. But if the two major economic powers, the United States and Japan, do not do their homework, then plans for international institutions will remain on the drawing board. It is the behavior of the major players that determines their success or failure. What good are international mechanisms if the United States continues to run a massive current account deficit and Japan continues to run a massive current account surplus?

The misguided approaches of both the United States and Japan are secondary to a more important reason. Not only are other nations' markets not free, they regard liberalization of their markets to be disadvantageous. This line of thought is essentially wrong. The protection of industries from international competition prevents an improvement in people's standard of living because they must purchase higher priced domestic goods. It also makes a domestic economy less efficient. In other words, with some reservations, free markets are most definitely in a nation's best interest.

But this line of thinking is not established historically in either the United States or Japan. Until recently, both countries were isolationist. The United States gave rise to the current idea of "mutualism" in the late nineteenth century. The United States, as a "late developing" economy, was essentially protectionist. As its economic power grew, it was criticized for its protectionism by other countries. At that time, the United States came up with the concept of "mutualism." If one country liberalized its markets, the other would do the same. But market-opening measures create a crisis in some domestic industries, and they rally to oppose liberalization. Among scholars, there are those who take this process very seriously.

Japan is essentially in the same situation. Japan too was a "late developing" economy. In the beginning of the Meiji period, it did not have tariff autonomy and so was forced to open its markets. This historic legacy endures. After World War II, Japan was not forced into a free market arrangement. Under a government policy that utilized protectionist measures, the economy grew. In the case of developing economies, such policies are tolerated and are effective. As Japan's economy grew, demands for market liberalization became stronger. Japan's response to these demands was an "unspoken mutualism." As in the case of the United States, foreign demands for liberalization produced certain dynamics in domestic politics. I do not believe such dynamics should be ignored. Change does not happen right away. However, Japan has not been a developing economy for many years now, and we continue protectionist policies at our own peril. We will be unable to avoid paying a heavy price. We should look at what the high yen is doing to our economy and make market liberalization an urgent priority.

We have no choice but to reject U.S. demands if they are based on self-righteousness or narrow self-interest. This is the responsibility of a major power. If, as a result, the United States imposes "sanctions," we should deal with them calmly, and endure many sacrifices. We should appeal any sanctions to the WTO, and refrain from retaliating in kind. We must not imitate the U.S. negotiating style because it is not good for the world economy. If we do not stand up to the United States then the international system will deteriorate and we will be subjected to many long-term drawbacks. However, we must not merely oppose these demands. We must do our homework and set about liberalizing our economy. We will take the first steps toward realizing a new world order not by becoming infatuated with some grand blueprint for a unified international system but by doing our homework as a responsible major power. World peace, world government, and global environmental action are all beautiful ideals, but if nobody takes responsibility for their actions nothing will get done. The basis for world peace is each and every nation carrying out their international responsibilities.

FSX Successfully Completes First Test Flight

OW0710052695 Tokyo KYODO in English
0443 GMT 7 Oct 95

[FBIS Transcribed Text] Nagoya, Oct. 7 KYODO — Japan's next-generation support fighter, code-named FSX, successfully completed its a first 40-minute test flight Saturday [7 October] in central Japan.

Some 100 reporters looked on as the world's most expensive fighter took off at 9:08 a.m., flying into the clear morning sky from Komaki Base of the Air Self-Defense Force (ASDF), Aichi Prefecture.

Within 30 seconds the aircraft's white-and-red fuselage entered a thin layer of clouds, and was out of sight.

Following a number of navigation exercises over neighboring Gifu Prefecture, the one-seater test model smoothly touched down at Komaki Base at 9:46 a.m.

Emerging from the cockpit, pilot Yoshiyuki Watanabe, 43, of Mitsubishi Heavy Industries Ltd., said "I'm really glad to have successfully completed this important task, the maiden flight. My first impression is that the FSX is a light fighter with superior maneuverability. I felt it was easy to control."

The fighter's maiden flight, originally scheduled for Friday, was postponed one day because of strong winds. In September the fighter made a series of test runs down the Komaki runway.

The test flight program is expected to be completed by the end of March.

Mitsubishi Heavy Industries completed the plane early this year after seven years of joint development between Japan and the United States. The aircraft is based on the American F-16 designed by General Dynamics Corp, and is a successor to Japan's own F-1 fighter currently used by the ASDF.

It is the most expensive fighter-bomber in the world with an initial price on delivery of 12.3 billion yen. Development costs came to about 327.4 billion yen.

The Defense Agency plans to request that 140 billion yen of its annual budget for fiscal 1996, which starts April 1, 1996, be allocated toward purchasing 12 planes. It plans to eventually deploy 141 of the planes.

Takemura on G-7 View of Yen-Dollar Rate

OW0710060295 Tokyo KYODO in English
0527 GMT 7 Oct 95

[FBIS Transcribed Text] Washington, Oct. 6 KYODO — Japanese Finance Minister Masayoshi Takemura hinted Friday [6 October] his attention is now focused on how the Group of Seven (G-7) nations will describe the current level of the yen-dollar exchange rate in their upcoming communique.

"The key question is how the G-7 nations will perceive the current level of the yen-dollar exchange rate, now that (the dollar's excessive weakness) has been reversed and the G-7's April meeting has achieved certain results," he said upon arrival at an airport in Washington.

He said the finance chiefs of the G-7 countries might not repeat the wording they used in April that they want to see an "orderly reversal" of the dollar's excessive weakness.

Takemura has flown here to attend a meeting of the finance ministers and central bankers of the G-7 major industrialized nations, which will begin at around 12:30 p.m.

Shortly before the G-7 meeting, Takemura meets with U.S. Treasury Secretary Robert Rubin to discuss bilateral economic affairs.

In the bilateral talks, Takemura plans to take up such issues as Japan's banking crisis, the U.S. budget deficit and the need to further stabilize the yen-dollar exchange rate.

"Japan's economy will recover around next spring as it will seek to resolve the (bad loan) woes of housing loan companies and to reform its taxation system," he stressed.

Takemura is scheduled to return home Tuesday after attending Sunday's meeting of the International Monetary Fund (IMF) interim committee.

Bank of Japan Governor Yasuo Matsushita arrived in Washington earlier Friday for a series of international gatherings, including the G-7 meeting and an annual convention of the IMF and the World Bank.

Official: Takemura 'Not Yet Satisfied' With Yen

OW0710151795 Tokyo KYODO in English
1500 GMT 7 Oct 95

[FBIS Transcribed Text] Washington, Oct. 7 KYODO — Top financial officials from the Group of Seven (G-7) major industrialized nations will begin their closed-door meeting Saturday [7 October] to assess currency developments as part of macroeconomic policy for sustainable growth, a Japanese Government official said.

G-7 finance ministers and central bankers are expected to "welcome the substantial reversal" of the dollar's excessive weakness since April during a five-hour meeting, which is set to start at 12:30 P.M. With a working luncheon, said the official accompanying Japanese Finance Minister Masayoshi Takemura.

U.S. Treasury Secretary Robert Rubin chairs the Washington meeting at the U.S. Treasury Department ahead of a series of semiannual meetings through Thursday of the International Monetary Fund (IMF) and the World Bank.

The currency assessment is likely to be a focal point at the G-7 meeting as there is a nuance in their stance with European currencies fluctuating rapidly.

Speaking to reporters upon arrival in Washington on Friday, Takemura said, "The point is how each G-7 nation will assess present currency levels after obtaining good results of our April agreement on an orderly reversal (of the dollar's fall)."

Takemura is not yet satisfied with the yen's current level and will maintain that currency rates are still in the process of the reversal, hoping for G-7 consensus for an even stronger dollar, the official said.

But the official said the G-7 counterparts are unlikely to use the wording of "the process of orderly reversal" again and will devise another phrase to express their common stance in a chairman's summary, instead of a joint communique, after their Saturday meeting.

After calling for an orderly reversal of the dollar's decline by issuing a communique in April for the first time in two years, the G-7 nations took cooperative action in the currency markets to send the dollar rebounding against major currencies, rising to above 100 yen from the 80 yen level.

Besides the currency issues, the G-7 nations — Britain, Canada, France, Germany, Italy, Japan and the United States — will likely take up Tokyo's banking problems of huge bad loans, overshadowing the nation's economic recovery.

Such individual issue, however, will not come up in the chairman's summary, the official said.

Takemura said Japan will seek the G-7 understanding on its latest policy for the disposal of bad loans and the Sept. 20 pump-priming package.

Among other major topics on the agenda of the meeting are a general overview of the world economy, including the Russian economic situations, and the creation of a new emergency financing mechanism and its funding scheme as part of countermeasures against Mexican-type currency crises, the official said.

Takemura-Rubin To Support Stronger Dollar

OW0710233295 Tokyo KYODO in English 2248 GMT 7 Oct 95

[By Keiko Tatsuta]

[FBIS Transcribed Text] Washington, Oct. 7 KYODO — Japanese Finance Minister Masayoshi Takemura and U.S. Treasury Secretary Robert Rubin were united in their support Saturday [7 October] of a stronger dollar ahead of a meeting later in the day of the Group of Seven (G-7) industrialized nations, a Japanese Ministry of Finance (MOF) official suggested.

"The two nations agreed on currency policy ahead of the G-7 meeting," said the official, who briefed reporters on the half-hour meeting between Takemura and Rubin while declining to disclose further specifics.

Speaking to reporters before the meeting with Rubin, Takemura said, "there is little difference in the assessment of foreign exchange rates between Japan and the United States."

"Currency rates are still in the process of an orderly reversal of the dollar's excessive weakness," Takemura said, voicing hope for further appreciation of the dollar against the yen.

The comments echo recent remarks by Rubin that Washington continues to pursue a "strong dollar" policy and is "always" prepared to act in concert with other G-7 nations in foreign exchange markets.

On Japan's banking problems, Takemura told Rubin that the current plight will not shake the foundation of the country's entire banking system, the MOF official said.

Takemura explained Japan's adamant stance on an early disposal of bad loans in the banking sector by presenting a set of guidelines the government adopted recently, the official said.

Rubin said he "appreciated" Takemura's explanation and welcomed Japan's preparedness for early action on the problem, the official said.

Japanese financial institutions are struggling under the heavy load of nonperforming loans following the burst of the speculative "bubble" economy in the late 1980s.

The official said the use of public money as a means to liquidate problem loans and the Daiwa Bank fraud at its New York branch were not taken up during the Takemura-Rubin talks.

Rubin and Takemura also discussed macroeconomic developments and a follow-up of the June meeting of the G-7 leaders in Halifax, Canada, a U.S. Treasury Department official said.

"They had an exchange of views on the two nations' respective economic situation and economic policy, and expect a good, fruitful discussion at the G-7 meeting," the U.S. official said.

Rubin applauded Japan's recent monetary and fiscal steps to prop up the economy, though adding he will carefully watch their future effects, the MOF official said.

Takemura Vows Public Funds on Bad-Loan Problems

OW0810055595 Tokyo KYODO in English 0521 GMT 8 Oct 95

[By Kohei Murayama]

[FBIS Transcribed Text] Washington, Oct. 7 KYODO — Japanese Finance Minister Masayoshi Takemura told his Group of Seven (G-7) counterparts Saturday [7 October] that Japan will exert "public commitments" to solve current banking problems, in effect promising the use of public money, a Japanese source said.

The source accompanying Takemura stressed that the finance minister did not directly refer to "public funds" in apparently addressing possible criticism back in Japan if such a promise is made abroad when the ruling coalition parties are still discussing whether to use public money.

The Japanese phrase that Takemura used translates in English as "public commitments," and the source said, "we're sure it was conveyed accurately."

But Takemura's comments made during the G-7 meeting of finance ministers and central bankers could be taken as an international promise.

Apparently encouraged by such strong actions vowed by Takemura, U.S. Treasury Secretary Robert Rubin brushed off speculation that the G-7 nations are worried over Japan's prolonged banking problems undermining its economic recovery.

Rubin said that Takemura offered a "thoughtful, constructive, and useful" explanation on the situation and measures to be adopted by the Japanese Government later this year.

The Japanese Government unveiled Sept. 27 a set of basic principles toward formulating a package of concrete measures later this year to clear up nonperforming loans at financial institutions.

But it left the politically sensitive issue of using tax revenues and other public money for further consultations within the ruling coalition parties.

Takemura Satisfied With G-7 Ministers Statement

OW1010150195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 9 Oct 95 Morning Edition p 3

[By correspondent Hidetaka Niimi]

[FBIS Translated Text] Washington, 8 Oct — Participants in the G-7 finance ministers' talks have issued a statement welcoming the rise of the dollar against other major currencies. Commenting on the statement at a new conference held at the end of the talks, Finance Minister Masayoshi Takemura remarked, "Japan agrees with the statement welcoming the rising dollar, and I am satisfied with the statement." Yasuo Matsushita, governor of the Bank of Japan, also said at the news conference, "When the Japanese side explained how Japan has been grappling with bad loans, some finance ministers spoke highly of Japan's efforts." In this way, he indicated that Japan had succeeded in getting other G-7 nations to understand Japan's banking system problems.

As to the yen-dollar exchange rate, Finance Minister Takemura said, "The statement is just what I have long asserted — that the dollar is still in the process of reversal." Thus he stressed that Japan's wish to depreciate the yen further was accepted by the rest of the G-7 nations.

Finance Minister Takemura went on to say: "At the G-7 talks, IMF [International Monetary Fund] Managing Director Camdessus reported that Japan has been boldly grappling with bad loans, and the rest of the G-7 members said they want to see how Japan will deal with those loans." Finance Minister Takemura added that Japanese banks are fully capable of dealing with the bad loans, citing specific figures on their business performance and net profits as well as bad loans.

Official Defends Delay in Daiwa Report to U.S.

OW0910143295 Tokyo KYODO in English 1328 GMT 9 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 9 KYODO — Vice Finance Minister Kyosuke Shinozawa on Monday [9 October] defended his ministry's 41-day delay in reporting the huge trading loss at Daiwa Bank's New York branch to the U.S. federal banking authorities.

"It is Daiwa Bank (rather than the ministry) that has the obligation to report the incident to the U.S. authorities," Shinozawa told a news conference.

His comments came as the ministry is under fire for delaying its report to the U.S. federal banking authorities until Sept. 18 — 41 days after Daiwa Bank President Akira Fujita told the ministry's chief of the Banking Bureau in a meeting on Aug. 8 that a trader at its New York branch ran up the $1.1 billion loss in treasury securities trading.

"The Banking Bureau director general (Yoshimasa Nishimura) quickly instructed the bank to investigate the incident, and it is understandable that his actions went no further than that," Shinozawa said.

"I heard that Nishimura received (Fujita's) explanation as a matter of the bank's internal affairs when two to three people (from both the ministry and the bank) attended a meeting to discuss financial and government administration problems," he said.

Fujita earlier said he disclosed to Nishimura the contents of a letter sent in July from Toshihide Iguchi, a bond trader at the bank's New York branch, in which Iguchi revealed he had racked up the $1.1 billion loss over more than a decade and concealed them by falsifying financial records.

In a separate news conference, Nishimura defended his failure to take quick action against Daiwa following Fujita's revelation of the huge loss.

He said the contents of the revelation were too insufficient to prompt the ministry to take immediate strict action against the bank.

"At that time, President Fujita himself told me he cannot believe in the contents of the letter and I did not perceive the letter as information credible enough to oblige the ministry to take action," he said.

"So I asked him to shed light on the full truth of the incident" in an in-house investigation, he said.

As for the credibility of the letter that broke the incident, Nishimura said Fujita told him "he received the impression that the trader has excellent ability, so I thought it is necessary to confirm facts."

Daiwa Bank said Fujita telephoned Nishimura on Sept. 12 to report the incident in greater detail, including the value of the loss and how the bank is going to dispose of the loss.

Six days later, Daiwa, the Finance Ministry and the Bank of Japan alerted the U.S. federal banking authorities of the incident, according to the ministry and the bank.

However, both U.S. federal law and the state banking regulations of New York mandate that financial institutions immediately report any illicit activity implicating them to the financial authorities.

The Japanese Finance Ministry should have quickly informed the U.S. federal financial authorities of the incident, in which Iguchi allegedly admitted to having fabricated financial records to hide his snowballing losses, banking industry analysts say.

The ministry could have started an investigation into the bank's operations, they said. The ministry officially kicked off an probe only last week.

The developments may give the impression to the international financial community that both the bank and ministry were implicated in delaying the report to U.S. federal banking authorities, they said.

The international financial community may perceive these developments as reflecting defects in Japan's financial system, they warned.

Daiwa Bank President, Chairman Step Down

OW0910100695 Tokyo KYODO in English
0931 GMT 9 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 9 (KYODO) — The two top executives of Daiwa Bank announced Monday [9 October] they will give up their posts to take the blame for the $1.1 billion trading loss in U.S. treasury bonds made by traders in its New York branch.

Akira Fujita will hand over the bank's presidency to Executive Vice President Takashi Kaiho, the bank said at a press conference in its Osaka headquarters. Fujita will become the bank's senior adviser.

Fujita told a news conference, "our bank wants to make a fresh start by improving the management and supervisory systems."

The bank's chairman, Sumio Abekawa, is to quit the post around next March, the bank said. Abekawa told reporters, "all the responsibilities (for the loss) rest with me, since I have been at the top of the management team."

The Daiwa Bank executives called attention to a series of self-disciplinary measures announced by the bank last week, including a decision to bar its New York branch from engaging in all market transactions using the bank's own money, including treasury and foreign-exchange dealings.

Former Kyowa Credit Union Head Indicted Again

OW0910113895 Tokyo KYODO in English
1046 GMT 9 Oct 95

[FBIS Transcribed Text] Oct. 9 KYODO — The Tokyo district public prosecutors office on Monday [9 October] filed additional charge against a former head of a bankrupt credit union for extending illegal loans totaling 1.26 million yen to a realty firm affiliated with a Tokyo-based golf course developer.

Harunori Takahashi, 50, former president of Tokyo Kyowa Credit Association, was indicted on the charge of breach of trust along with 56-year-old Yoji Nomaguchi, president of the golf course developer Forum Country Club, and 52-year-old Hiroaki Kawano, former president of the affiliate Chichibu Kaihatsu, prosecutors said.

The three men allegedly had Tokyo Kyowa extend the 1.26 million yen in loans to Chichibu Kaihatsu between December 1993 and March 1994 while knowing they would be unable to collect.

The golf course company used valueless collateral for the loans, such as golf club memberships before issuance.

Chichibu Kaihatsu further loaned the money to Forum Country Club, which apparently used the funds to pay back loans.

Prosecutors had arrested and indicted Takahashi on a charge of breach of trust for his role in arranging for another bankrupt credit union, Anzen Credit Bank, to lend some 11.9 billion yen beyond legal limits with knowledge that the loans could not be reimbursed.

He had also been indicted on another charge of breach of trust for his role in extending some 6.2 billion yen in illegal loans from his credit union.

The two credit unions failed under the weight of the heavy burden of bad loans amassed under the former bosses' lax lending policies and suspected illegal lending operations.

The two credit unions were taken over by Tokyo Kyodou Bank, a special bank set up under a rescue package mapped out by financial authorities to deal with the bad loans left by the two credit unions.

Strong Yen is Japan's 'Divine Wind'

952A0640A Tokyo VOICE in Japanese Jul 95
pp 120-127

[Article by Eikan Kyu, a novelist: "Huge East Asian Market Awaits Japanese Corporations"]

[FBIS Translated Text]

Speculative Fund Shifts Determine Forex Rate

While I was still digesting the dollar's drop below 100 yen, the dollar proceeded to slide below 90 yen and eventually dip below 80 yen. The dollar's plunge, despite the fact that the U.S. Government is not bankrupt, contradicts economic fundamentals. It reflects the transformation of the foreign exchange market into a casino for derivatives trading. Accordingly, central banks have lost their ability to control currency values.

Japan requires roughly $1 billion to settle its export bills on an average day, or as much as $1 trillion on a busy day. The scale of currency speculation aimed at profiting on exchange rate fluctuations, however, has reached some 1,000 times this amount. Consequently, speculative fund shifts now determine the foreign exchange rate, not the trade balance.

Anyone can participate in this global currency casino. However, banks that handle foreign currency or settle international trade bills for their clients have to put in an appearance whether they want to or not. Some banks consider the handling of their customers' currency gambling as an important source of revenues. Some banks have posted impressive profits by gambling aggressively for their own account.

These gamblers' trading movements exert a substantial impact on foreign exchange rates. Still, many market observers attribute the trend of the foreign exchange market to economic fundamentals.

In short, speculators will take advantage of any gap in foreign exchange rates. If enough speculative funds flow into the market, the next foreign exchange rate will be formed to the benefit of skillful traders.

The lack of improvement in Japan's trade surplus, no matter to what extent the yen strengthens, is the most significant fundamental leading the strong yen today. Of course, there are other important fundamentals that influenced the foreign exchange rate. These include the Bank of Japan's (BOJ) failure to reduce the official discount rate in line with market expectations and the Fed's decision to postpone an increase in key U.S. interest rates. Foreign exchange speculators assess these factors and inject funds into the market, which causes the exchange rate to move. An inconsistency results because companies that export and import goods must settle their transactions at the exchange rate determined by speculators.

For example, suppose that a Japanese exporter assumed that a sale would be converted at an exchange rate of 100 yen to the dollar, but when it collected the payment, the dollar actually traded at 85 yen. The exporter may incur a loss as a result of its incorrect assumption. To insure against such losses, exporters trade derivatives two or three months before they collect payments.

These futures contracts may provide insurance for an individual who occasionally settles foreign currency. An exporter, however, is compelled to reserve contracts throughout the year. It can hedge its foreign exchange risk just by projecting its trade settlements early because the futures contracts will mature continuously throughout the year.

Yen's Strength Fails To Abate

Assuming that Japan's huge trade surplus with the U.S. is an important fundamental, the yen will continue to gain strength in the future. Although the yen's value is unlikely to enter an uninterrupted upward course, given the complexity of fund movements, it will increase from a long-term perspective nonetheless. This is because of the widely held belief that Japan will curtail its exports and increase its imports whenever the yen gains strength.

When the dollar was trading at 180 yen, I predicted that the dollar would drop to 100 yen on the basis of this economic principle. At that time, I advised Japanese corporations to shift their production to overseas bases so that they could skirt the negative impact of the yen's strengthening.

However, it has gradually become apparent that Japan's trade surplus is not going to decline, despite the dollar's slide below 100 yen. In the past, Japanese exports to the United States comprised mainly finished products and consumer goods. Recently, however, the emphasis has shifted to capital goods, such as manufacturing equipment, and goods used in production, such as parts and semiconductor components. U.S. manufacturers, which must buy these Japanese products regardless of the yen's value, account for 75 percent of the U.S. imports from Japan. Japan continues to show a trade surplus with the United States because Japanese companies can raise their prices as the yen strengthens. As long as the analysis of the fundamentals remains the same, the yen's ascent will remain unstoppable.

The dollar's decline below 100 yen led to a wave a speculative yen buying and dollar selling. Consequently, Japanese companies were forced to settle their exports at a worse exchange rate than they anticipated. If the yen continues to strengthen, Japanese companies could stop their earnings from eroding by drawing up export contracts in yen instead of dollars, or by raising their dollar-denominated prices. Otherwise, they will have to give up exporting or move their production for exports to a region where they can escape the direct impact of the strong yen.

Japan will have to shift to a policy of conducting trade in its own currency, similar to Germany, because the strong yen will persist as if in a vacuum. Consequently, the dollar will lose some of its power as a base currency. However, Americans are not particularly concerned over a decline in the dollar's international influence.

U.S. Economy Heads Toward New Low

On the other hand, the weak dollar hurts Japan's economy substantially. Japanese companies will incur almost unbelievable losses on dollar-denominated credits in particular due to the erosion of the dollar's value. In contrast, the United States benefits from a domestic consumption boom. This is because U.S. manufacturers' sales will increase in reaction to a decline in imports from Japan coupled with a slower pace of growth in the national debt.

Even if the U.S. trade deficit with Japan does not contract, the inflationary impact on U.S. consumer prices will be negligible. This is because the U.S. deficit will stem from imports of parts and capital equipment used to make finished products. Also, Japan will sustain the economic damage, not the United States, because the U.S. debt to Japan is entirely denominated in dollars. Consequently, the U.S. Government has not shown much interest in the dollar-yen exchange rate, taking a wait-and-see attitude toward the dollar's plunge instead.

Thus, the strong yen exerts a negative impact on the Japanese business climate while the United States remains tranquil. However, the United States actually faces the more serious problem of an economic collapse; Japan will merely receive the by-blow of the U.S. downfall.

From a long-term perspective, Japan's persistent trade surplus with the United States will reflect nothing more than the inferiority of the U.S. economy. In addition, the U.S. Government will have to issue bonds to cover a revenue shortfall if its annual budget deficit reaches $250 billion. In the past, Japan and other countries showing a trade surplus with the United States have plugged this shortfall. If these countries decide to curtail their fund management in the United States in reaction to the weak dollar, the United States will be forced to borrow heavily in its own money market.

Confidence in the dollar will wane if the Canadian dollar loses its attractiveness following the Mexican peso's devaluation. If the U.S. Government issues a large volume of bonds amid this unfavorable environment, the capital market will experience supply pressure. Consequently, it may be forced to raise interest rates to attract funds. There are various pretexts to justify an interest rate hike, such as the need to stabilize the economy over the long term or hold down inflation. Several prime rate hikes in one year, however, will inevitably send U.S. stock and bond prices tumbling along with the dollar in a triple decline.

As it is, the dollar's weakening is like the lead-off man for a U.S. economy that is struggling on to a new low. If U.S. leaders disregard this danger and extol the signs of a U.S. economic revival instead, the view that economic ups and downs should and will occur will be reaffirmed. Meanwhile, Japan will fall into the trap of consistently having to deal with this U.S. inclination. Therefore, it would be beneficial if the United States were to be compelled to change directions at this time by a severe blow from the strong yen.

Japanese Companies Pursue Global Expansion

Even if the yen's strengthening abates temporarily, the outcome will still be the same. This is not to say that the dollar will not rebound to 100 yen. However, Japan's trade will be unaffected by the weak dollar if yen-denominated contracts increase to account for 70 percent or 80 percent of Japanese exports. Should Japan continue to run a trade surplus, the dollar will remain weak.

At present, however, Japanese manufacturers have no desire to cut back their exports to the United States. Furthermore, they want to maintain their exports to Europe and Southeast Asia. In an effort to cope with the strong yen, Japanese companies will manufacture products for export at domestic factories only if the contracts can be denominated in yen. They will shift other production divisions to regions where costs are lower or can be tallied in dollars.

The Japanese economy is unlikely to recover for some time. Consequently, Japanese manufacturers are quickly expanding on a global scale in a bid to sustain their export and domestic sales performance, but at lower prices.

In conjunction with this overseas expansion, I expect the number of Japanese employees assigned to overseas posts to increase, similar to the past increase in Chinese expatriates. This does not mean that more Japanese want to live abroad. People who have grown up on an island and scrimmaged only with their friends, like the Japanese, do not like to feel isolated from their home. Instead, Japanese companies will order more employees to work abroad as they create overseas bases aimed at tapping foreign markets. When Japanese companies expand on a global scale in reaction to the yen's recent strengthening, the number of Japanese compelled to work abroad will increase steadily despite their indisposition to overseas transfers.

Thus, Japanese employees will accept overseas posts for the sake of the company and breathe a sigh of relief when they can return to the head office in Japan.

If the strong yen persists, however, Japanese companies will continue to bolster their overseas operations, even if their line-up already extends around the globe. Consequently, expatriates will not be able to return to Japan.

Japanese companies that have found much success in the United States have built factories there and switched over to local production in an effort to cope with the strong yen. Japanese affiliates in the United States must shoulder greater handicaps than their German and British counterparts in terms of tax and employment-related factors. However, they are still able to avoid much of the negative impact of the strong yen.

On the other hand, the strong yen will deal a direct blow to those Japanese companies that are unable to build factories in the United States and accordingly, continue to manufacture their products in Japan. They cannot always cling to Japan, and must be prepared to deal with a drop in the dollar's value to 50 yen or even lower. Companies that realized this early on are attempting to expand into countries that encourage Japanese investment, such as the former Eastern bloc countries, Africa, Spain, and Portugal.

Many Japanese companies have pulled out of joint ventures in these regions because of problems. Companies that plan to expand abroad anew must start out by studying their previous failures closely, analyzing why they failed and developing a full understanding of the country risk.

Japanese companies expand overseas for various reasons, but in general, they (1) expand in a region where labor costs are low in an effort to reduce production costs or (2) build production plants in a consumer country in a move to skirt tariff barriers. In pursuing lower labor costs, Japanese companies have basically expanded into developing countries in the NIE'S [newly industrialized economies] region, such as Taiwan, South Korea, and Southeast Asia. On the other hand, the aim of virtually all of the Japanese capital investment in advanced countries, such as the United States and European nations, is tariff avoidance.

However, many developing nations impose high tariffs ranging from 100 percent to 600 percent. If a Japanese company sets up a knockdown factory in such a country, it is better off selling the finished products locally than exporting them back to Japan. In fact, Japanese automakers built factories in Thailand and Indonesia for the express purpose of supplying the local market. Today, Japanese companies post high sales in developing countries thanks to these local production plants.

In contrast, Japanese companies have turned in an uneven performance in countries plagued with skyrocketing inflation, such as Mexico and Brazil. They have also registered disappointing results in countries where the foreign investment environment is unstable, such as Spain and Portugal. Joint ventures in these countries are often riddled with problems, so that production never gets on track and the venture fails. It is incorrect to assume that investment conditions in all developing countries are the same. Some countries clearly provide a better business environment for Japanese production than others. Japanese companies that are intent on expanding abroad must keep this in mind.

Strong Yen Brings Opportunity To Develop Huge Asia Market

Many Japanese companies have set up efficient production plants in countries with advanced economies, such as the United States and England. However, the strong yen has made it difficult for Japanese manufacturers to continue to cut costs, even if they are able to shift production from Japan to these overseas plants.

If the yen's value rises further, Japanese automakers may decide to ship automobiles made at their U.S. plants back to Japan. Many Japanese companies are already using reverse imports, comprising products manufactured by their affiliates in Southeast Asia, where labor is cheap. Consequently, a contraction of Japan's trade surplus in the near future is more likely to reflect an increase in imports from China and Southeast Asia than the United States.

Thus, Japan's capital investment in the United States has reached the saturation point. Japanese companies are now focusing on Southeast Asia, where costs are lower. They will probably try to minimize the negative impact of the strong yen by manufacturing inexpensive parts and finished products in regions where wages are low.

If Japanese companies decide to import products from their Southeast Asian affiliates for distribution in Japan, it follows that they will also use these affiliates for exports to the United States and Europe. Of the Japanese companies that have succeeded in China and Southeast Asia, export industries that supply the world market far outnumber companies targeting the local market alone.

However, it is apparent that Japanese companies are destined to pursue a new course as a result of the strong yen. If the yen's value had not risen so sharply, corporate Japan's overseas expansion and the industrialization of East Asia would have occurred at a more moderate pace. Given the surge in personal income levels in East Asia in conjunction with industrialization, the region promises to develop into a huge market before long. In other words, the yen's strengthening gave Japanese companies the chance to carve a niche in another large market (East Asia) besides the United States.

People around the world have yet to realize this. Japanese themselves feel as if they have been pushed to the precipice by the yen's strengthening.

In their efforts to survive the strong yen, however, Japanese companies have created corporate structures that extend into neighboring countries. They are now in a position to create a huge market in place of the United States. In years to come, we will look back on the strong yen as a divine wind that blew at the close of the twentieth century.

Justice Minister Resigns Over Alleged Diet Deal

OW0910021495 Tokyo KYODO in English 0203 GMT 9 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 9 KYODO — Justice Minister Tomoharu Tazawa tendered a letter of resignation to the Prime Minister Monday [9 October] over an alleged secret deal with the opposition camp in the House of Councillors to hush up controversial personal loan from a lay Buddhist group.

Prime Minister Tomiichi Murayama intends to accept Tazawa's resignation and to name Hiroshi Miyazawa, a House of Councillors member from the Liberal Democratic Party (LDP), as successor to Tazawa, according to government sources.

Tazawa, 62, also an LDP upper house member, allegedly asked the upper house opposition bloc Heiseikai not to put questions in the Diet about an unreported 200 million yen loan he received from his electoral body Rissho Koseikai — a large lay Buddhist organization — in exchange for assurances that he would oppose the government's plan to tighten controls over religious organizations, the sources said.

Heiseikai, composed of Shinshinto (New Frontier Party) and Komei, has opposed the tightened controls over religious corporations, because it is supported by another large lay Buddhist group Soka Gakkai.

Tazawa, who was inducted to the ministerial post Aug. 8 by Murayama, denied the allegation and ruled out resignation when he was questioned by his party last week.

However, he has since decided to quit because of pressure from his LDP colleagues and other ruling coalition officials, and the issue is likely to affect parliamentary discussions in the current Diet session, the source said.

Tazawa's likely successor, Miyazawa, 74, is a brother of Former Prime Minister Kiichi Miyazawa and served as vice home affairs minister and governor of Hiroshima.

An imperial attestation ceremony of Miyazawa's appointment to the post is scheduled Monday afternoon at the Imperial Palace.

Tazawa's resignation, only two months after a cabinet reshuffle, is likely to subtly influence the stability of Murayama's coalition cabinet and the Diet business over religious organizations, political pundits said.

After emerging from a meeting with Murayama, Tazawa said, "I tendered the letter of resignation myself and it was accepted."

He said he quit to help pass a second extraordinary budget for fiscal 1995 through the current extra Diet session as quickly as possible.

Chief Cabinet Secretary Koken Nosaka told a news conference that Tazawa's resignation will have no negative impact on the Murayama administration.

On the alleged behind-the-scenes deal, Nosaka said, "both Shinshinto and Mr. Tazawa say they have made no such deal. We therefore believe there was no such deal."

Cabinet Stability 'Likely' Affected

OW0910062295 Tokyo KYODO in English 0557 GMT 9 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 9 KYODO — Justice Minister Tomoharu Tazawa resigned Monday [9 October] over a scandal caused by a secret deal he allegedly made with the opposition camp in the House of Councillors to hush up a loan he received from a lay Buddhist group.

"Swearing by my conscience, I have never done such a secret deal. But I decided (to resign) in light of the need to pass the extraordinary budget through the Diet at an early date," Tazawa told a press conference.

Tazawa called the press conference after Prime Minister Tomiichi Murayama accepted his resignation and named Hiroshi Miyazawa, a House of Councillors member from the Liberal Democratic Party (LDP), as successor to Tazawa, also an LDP upper house member.

Miyazawa, 74, is a brother of Former Prime Minister Kiichi Miyazawa.

News reports said last week that Tazawa, 62, asked the upper house opposition bloc Heiseikai not to put questions in the Diet about a 200 million yen loan he had received from a Buddhist group.

In return for a Heiseikai Diet member not asking questions about the loan, Tazawa promised he would oppose the government's plan to tighten controls over religious organizations, the reports said.

Tazawa reportedly received the 200 million yen loan from Rissho Koseikai, a large lay Buddhist organization that supports him in elections.

Heiseikai, composed of the main opposition party Shinshinto (New Frontier Party) and Komei, is opposed to the proposed tightening of controls over religious organizations. Heiseikai is supported by another large lay Buddhist group, Soka Gakkai.

Chief Cabinet Secretary Koken Nosaka told a press conference that Tazawa's resignation will have no negative impact on the Murayama administration.

"Both Shinshinto and Mr. Tazawa say they have made no such deal. We, therefore, believe there was no such deal," Nosaka said. "We have no plans to investigate the case."

International Trade and Industry Minister and LDP President Ryutaro Hashimoto told a separate press conference that the LDP has no plans to probe the case. "I want to believe (in Tazawa)," Hashimoto said.

Tazawa is the second cabinet member to resign under the premiership of Murayama following Shin Sakurai, who stepped down as Environment Agency chief in August last year over his remarks denying Japan's wartime aggression.

Political pundits said Tazawa's resignation, only two months after a cabinet reshuffle, is likely to influence the stability of Murayama's coalition cabinet and the Diet proceedings on whether to revise the law on religious organizations.

New Minister Vows To Create 'Safe' Society

OW0910045395 Tokyo KYODO in English 0346 GMT 9 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 9 KYODO — Newly appointed Justice Minister Hiroshi Miyazawa said Monday [9 October] he will do his utmost to tackle an increasing number of antisocial activities and create a "safe and peaceful society."

"The main purpose of politics is to build a safe and peaceful society," he told a news conference at Prime Minister Tomiichi Murayama's official residence. "I'm painfully aware of my heavy responsibility as justice minister at this juncture," he said.

Miyazawa, a younger brother of Former Prime Minister Kiichi Miyazawa, will be sworn in at an attestation ceremony to be held at the Imperial Palace at 2 P.M. [0500 GMT] Monday.

The 74-year-old Miyazawa, a House of Councillors member of the ruling coalition partner Liberal Democratic Party (LDP), was chosen as the successor to Tomoharu Tazawa, also an upper house legislator of the LDP, who resigned earlier Monday over an alleged secret deal with the opposition camp.

Miyazawa said it is extremely regrettable that Japan has been seeing a number of indiscriminate acts of terrorism and crimes involving the use of guns.

On possible application of a security law against the Aum Shinrikyo religious cult, Miyazawa said he will consider the matter with caution based on "law and evidence."

Questioned about the pros and cons of capital punishment, the new justice minister replied he should honor the system the nation adopts.

Miyazawa also noted the government will continue seeking to revise the religious corporation law, to which the main opposition Shinshinto (New Frontier Party) bitterly objects.

New Justice Minister Hiroshi Miyazawa Profiled

OW0910022095 Tokyo KYODO in English 0207 GMT 9 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 9 KYODO — New Justice Minister Hiroshi Miyazawa, 74, is a bureaucrat-turned politician who has served as vice home affairs minister and governor of Hiroshima Prefecture.

The House of Councillors member of the Liberal Democratic Party (LDP) is the middle of the well-known trio of Miyazawa brothers — his elder brother is former Prime Minister Kiichi Miyazawa and his younger brother is Former Ambassador to West Germany Yasushi Miyazawa.

Hiroshi Miyazawa was born in Tokyo and has been elected three times to the upper house from the constituency of Hiroshima Prefecture.

He is regarded as one of the most well-versed upper house members in policy affairs. He has held such posts as chairman of LDP's upper house Policy Affairs Council and vice chairman of LDP's upper house members body.

He has promoted many legislations introduced by Diet members and has maintained a unique posture of cold logic and calmness in the political world where loud-voice legislators often make their influence felt, political observers said.

His political strategy is never to force his way through.

The observers said he is the best choice as a pinch hitter in tackling the application of antisubversive activities law against the Aum Shinrikyo religious cult, although it is the first time for him to serve as a cabinet minister.

Japan's internal security authorities are preparing to issue an order to dissolve Aum by invoking the 1952 law against subversive activities.

The Justice Ministry and the Public Security Investigation Agency are expected to make a formal decision soon on applying the antisubversive legislation to the cult to ban its activities.

Nosaka Says Ex-Justice Minister's Case Settled

OW0910091295 Tokyo KYODO in English 0828 GMT 9 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 9 (KYODO) — Former Justice Minister Tomoharu Tazawa has been cleared of the allegation that he made a dubious deal with the opposition camp to prevent parliamentary questioning over his 200 million yen loan from a major religious group, a government spokesman said Monday [9 October].

Chief Cabinet Secretary Koken Nosaka told a news conference that Tazawa's resignation from the ministerial position earlier Monday capped a series of political talks about his alleged involvement in the deal.

Tazawa, a House of Councillors member from the ruling coalition partner Liberal Democratic Party (LDP), tendered his resignation to avoid confusion over allegations that he asked a key opposition parliamentary bloc, Heiseikai, not to question him in the Diet about his loan from the lay Buddhist organization Rissho Koseikai.

Saying both Tazawa and Heiseikai denied there was a secret deal between them, Nosaka said, "the government has no intention to probe the matter any further."

But Yukio Hatoyama, secretary general of New Party Sakigake, a coalition partner, said the allegation about Tazawa should be investigated further.

Ryutaro Hashimoto's Character Examined

952B0223A Tokyo SHOKUN in Japanese Sep 95 pp 38-47

[Article by Koshi Kubo, SANKEI SHIMBUN editorial staff: "Will Ryutaro Hashimoto Be Prime Minister?"]

[FBIS Translated Excerpt]

Does This Politician, the Only One of Kakuei's "Disciples" to Maintain His Image, Have the Road to the Prime Ministership/Party Presidency?

A Don Quixote Tilting at Bureaucratic Organization

Those who disdain Ryutaro Hashimoto typically say he "has genius, but no virtue." Political commentator Hisayuki Miyake (in a dialogue with Kichiya Kobayashi carried in an earlier article) gave as one example an exchange that Hashimoto had at a Diet committee meeting with a Social Democratic Party of Japan [SDPJ] committee member, where it had been pointed out that he had omitted making a reply [to a committee member interpellation], saying: "Concerning the question that was just made, since ordinarily gentlemen who have been Diet members for 10 or 15 years understood that this is just common sense, I refrained from making a response; but since the interpellation is persistent, I shall respond." In his circumloculatory way with words, he had insinuated that the questioner was ignorant. It has been pointed out that this "provocativeness," whereby saying something that could have been left unsaid needlessly creates enemies, closely resembles a younger Raizo Matsuno, former chairman of the Liberal Democratic Party [LDP] Executive Council. When we sought to confirm this with Matsuno, who was very close to Ryutaro Hashimoto's father, Ryugo (Minister of Health and Welfare during the Shigeru Yoshida period) and had much affection for Ryutaro ever since he was a child, he said, laughingly: "Since you mention it, there certainly are points of resemblance. But I changed when I became a minister. In his case, you won't see any rounding out just because he's a minister. Only when he becomes a "Big Person," or becomes Prime Minister, will he perhaps undergo a "Big Change." If Matsuno's words become fact, then maybe a "Big Change Prime Minister" will follow the "Big Change Ton-chan [Tomiichi Murayama]" in quick succession. And when I think of that, I would like to see this man, who even as he approaches the age of 60 remains an arrogant, overbearing, absolutely unswaying "Wind-cutting Ryutaro," be just a little more scrupulous. From the outside, he appears to always have a grave, dignified air, hatred of losing showing all over his face, an impressive demeanor, a good dresser, and overconfident and unapproachable. While this may seem a merciless evaluation, this writer, at least, cannot help but see this image of Hashimoto Ryutaro as being the quintessential Edo "gallant." Concerning the point that he is an "entrepeneur," Sadanori Yamanaka, who was once mentioned by Prime Minister Eisaku Sato as being one of the most promising young Diet members, was a man who could also be considered a "gallant," or some kind of eccentric with a prancing air. Ryutaro Hashimoto, Sadanori Yamanaka, the prancing eccentric, and the gallant (chivalrous knight) all oppose the mores of their time, as if they were polishing their "art." And for Hashimoto and Yamanaka, "art" means none other than facing off against the bureaucrats who dominate Japan's administration, using the bureaucrats' own strengths of "reason" to acquire information, policy, administration, and ruling skills that could be used for resistance. Shigeru Yoshida actively encouraged bureaucrats to move into party politics to overcome the pattern of firm bureaucratic control that had existed since the Meiji period and to overcome the late start party politics had in developing administrative and ruling skills. Kakuei Tanaka and Noboru Takeshita attempted to overcome the inferiority complex that partisan politicians held toward the bureaucrat politicians that were the result of Yoshida's methods by taming the bureaucrats and polishing the skills that they had mastered. This was using so-called "sentiment" as a method for manipulating the bureaucrats. Hashimoto and Yamanaka, however, persist in attempting to get the bureaucrats to submit in battles on their own ground of "reason." Sometimes it comes to resemble Don Quixote tilting against a gigantic bureaucratic organization. Matsuno says that the essence of Ryutaro Hashimoto lies "in a defiant spirit." Whether it be against parents, against society, against bureaucrats or associates, or even against his benefactors, Hashimoto has always resisted. Hashimoto's benefactor, Eisaku Sato reportedly often told Matsuno that "nothing can be done with that Hashimoto character." In this kind of situation, there is no way that he could win a moral reputation, esteem, and popularity among his associates or interested parties. But to third parties, public opinion, and noninterested parties, Ryutaro Hashimoto looks good. The most shining achievements of the "Entrepeneur Ryutaro" was probably when he served as the chairman of the LDP's Research Commission on Public Administration and Finances during the Zenko Suzuki and Yasuhiro Nakasone administrations, and later on when he served in the Nakasone Cabinet as Minister of Transport, where he succeeded in privatizing the Nippon Telegraph and Telephone Public Corporation and the Japan Tobacco and Salt Public Corporation, and in breaking up and privatizing the Japan National Railway. This resolute decisiveness on taking the public administration and finance reform line appeared to shine on the Yasuhiro Nakasone and Takeo Doko line only. Nevertheless, the success of Ryutaro Hashimoto in working actively and boldly on the first line was certainly at least the equal of those two.

The Contrast with Yohei Kono Who Lacks the Requisites to Be a Statesman

At times, Ryutaro Hashimoto, who stubbornly and obstinately pushes his own methods through to become the Don Quixote, may perhaps be the most suitable person for destroying the deadlock into which the political situation has fallen and for opening up the windholes, as if he had taken upon himself the "no-lies focus" of a Tomiichi Murayama. It is the same as what happened after the fall of the Berlin Wall when great reforms were aimed at the basis of national management in conjunction with the great realignment of the international system. He may perhaps be one of the very few politicians who is crossing swords with the bureaucratic concept of maintaining the status quo by presenting, for example, reconsideration of the Constitution and the linked issue of how to make an active international contribution, or reform of the public administration and tax system that provides an independent "big cushion" without being in the palm of bureaucratic hands. Leader and leadership must be thought of as the "function of the situation." In the same way as Prime Minister Churchill who, so enthusiastically received by the British people during the Second World War, was rejected as "unneeded" by the same British people as soon as the war was over; the type of leader must differ depending on the situation. The important thing is whether, like the Britain of Churchill's day, there exists a political contrivance that can be removed according to the situation, and a mature people with political wisdom and the capability to adapt to circumstances. I think that the prerequisites for political leadership in today's hugely dynamic period can be amply filled by both Ryutaro Hashimoto and Ichiro Ozawa. At the very least, his abilities as a politician are far superior to those of Vice Prime Minister/Foreign Minister Yohei Kono (LDP President). As is plain at a glance from the recent Upper House elections, Kono's greatest sin has probably been the arrangement of election tactics based on maintenance of the "coalition." For example, the LDP did not put up more than a single candidate in any of the multi-seat districts. The reason for this was that last autumn, shortly after the formation of the Murayama coalition government, the participants agreed on "election cooperation in multi-seat districts to maintain the LDP-SDPJ-Sakigake coalition government. For this reason, the LDP in principle would not put up more than one candidate." But since the SDPJ fared worse than expected, there were a great many cases when the remaining seat in the multi-seat districts did not go to the SDPJ, but instead went to the New Frontier Party [NFP]. It is safe to say that the excellent NFP campaign can be traced to the failure of Kono's election tactics. The Kono LDP has 1) ethical (moody) introspection over the LDP's period of one-party control—the 1955 system. In other words, they continued to say during the Upper House election that one-party control equals Kakuei Tanaka control equals Ichiro Ozawa control equals evil ethics. This introspection then became the basis for continuing to place Murayama at the head of the coalition government. In this sense, the Murayama-headed coalition is equivalent to redemption for LDP President Kono. 2) Swept along by this ethical moodyism, they became lacking in strategic ideas and, as a result, fell into the aims of the Murayama-Masayoshi Takemura line. Since they are small parties, this could also be considered as confirmation of their reasons for existence. 3) The problem is that because of the weak base that Kono himself has within his own party, he has really no raison d'etre except within the aims of the coalition, and so placed priority on narrow self-interest. 4) Also, an even bigger mistake is the already completed transition to the single-seat district with proportional representation system which is in fact recognized as a failure because it will absolutely require the formation (as an organizational mechanism) of a two-major-party system. Kono is gravely responsibile for failing to incorporate these features into his Upper House election strategy. These tactical and strategic mistakes are the failure of a sense of responsibility in conservative mainstream government, and a failure of the "big government" concept as a response to the upheavals in world history; and it can be said that these are both factors in the smallness of Yohei Kono's political abilities which lack the prerequisites to be a statesman. Raizo Matsuno once evaluated Yohei Kono as "a man who always sends a subordinate walking out ahead to see whether there is a minefield or not." For example, in both the resolution opposing nuclear weapons, and the resolution on 50 years since the war, he tried to get the Diet to walk out ahead of the government. But concerning Ryutaro Hashimoto, who Matsuno called "a defiant spirit who resists even his parents," this writer wants to focus on what Hashimoto recently wrote in his book *Vision of Japan*, and the *Policies In My Heart* (KK Bestsellers), which he published in opposition to Ichiro Ozawa's *Japan Reform Plan* (Kodansha): "There was a time when I was burning with a kind of confrontational awareness against my 'professional' father... But no matter how hard I tried, I could not meet my father's expectations... Compared to a (health and welfare administration) policy thought out by a healthy person with all five limbs (Ryutaro Hashimoto's father Ryogo suffered from tuberculous lumbar caries when he was in primary school, and therefore had a lifelong walking disability) in the mind alone, even with a ream of paper I had something that simply could not catch up and pass him." This writer believes that this passage expresses the subtle changes in what Matsuno calls "the essence of Ryutaro Hashimoto." By the way, a few pages before this Hashimoto passage, he records the following remembrance of his father Ryugo. "Even after I progressed into primary school and middle school, and father went into the Diet... for example, when he would be unable to walk as fast as other people on the stairs at train stations, he was always being subjected to such heartless words as Hey, you're in the way, so move!' It made me so mad. And I would often ignore my father's attempts at restraint and start quarrels causing big uproars." In the field of psychoanalysis, the mentality of striving to bluff to overcome feelings of inferiority (inferiority complex) due to physical disabilities that one was born with, for example, is called the "reaction formation" (Erdler[?] compensation'). The idiosyncratic character formation of Ryutaro Hashimoto is, probably, a major side-effect of his affectionate and excessively defensive awareness of the need to always protect his father.

North Korea

Former Secretary of State 'Profaned' North

SK0810110895 Pyongyang Korean Central Broadcasting Network in Korean 0855 GMT 8 Oct 95

[NODONG SINMUN 8 October commentary: "Do Not Recklessly Run Wild"]

[FBIS Translated Text] Those who are ill-natured make ill-disposed remarks. There are many ill-natured persons in the United States. Former U.S. Secretary of State Baker is one of them. In a recent interview with the U.S. paper USA TODAY, he profaned our Republic as a culprit of nuclear proliferation. Raising an outcry over the mode of signing the DPRK-U.S. agreed framework, he also made the absurd remark that the only thing our regime can understand is force. Such foolish remarks can be made only by force maniacs who are skilled with reversing black and white and regard strength as almighty. Accordingly, none of Baker's remarks are right.

He abused us as a culprit of nuclear proliferation. Contrary to his remarks, the United States is the first true culprit of nuclear proliferation in the world. It is the United States that has the most nuclear weapons in the world, that secretly helps or encourages the development of nuclear weapons by forces who follow it, that deployed a lot of nuclear weapons in various places in the world, and has constantly conducted nuclear war exercises to increase worldwide nuclear threats.

The United States is accelerating modernizing nuclear weapons and developing and manufacturing new nuclear weapons behind the scenes of nuclear disarmament. With the U.S. cooperation, conspiracy, or tacit permission, some countries have already produced nuclear weapons, and South Korean puppets are developing nuclear weapons. After turning South Korea into the largest nuclear weapons warehouse by deploying many nuclear weapons there, the United States conducts nuclear war exercises against our Republic every year and poses nuclear threats against us all the time.

Facts are as mentioned above. Nevertheless, Baker profaned us as a culprit of nuclear proliferation. How brazen and shameless he is! Baker's remarks only remind us of the old saying that a thief raises a hue and cry.

With regard to the mode of signing of the DPRK-U.S. agreed framework, Baker blared that he opposes dealings with North Korea and that it is necessary to strictly deal with North Korea. This is a peek of his anti-DPRK hysteria which has reached an extreme. The DPRK-U.S. agreed framework was agreed upon and signed by the two sides to fundamentally resolve the nuclear issue on the Korean peninsula. It is not a gift offered by the United States to us.

Baker, who was in such a high position as secretary of state, is utterly absurd and impolite. We want to be fairly provided with light-water reactors in return for the freezing of our self-reliant nuclear industry. It is certain that Baker does not like the implementation of the DPRK-U.S. agreed framework and is itching to stifle the DPRK. It is ridiculous of him to nurse the delusion that the U.S. policy of strength will work on us.

No kind of military threat works on us. Steadfast is our people's will and determination to protect and defend our people's regime, whose true master is the working popular masses, and our country's socialist system. Our people love peace, but never forgive any attempt to infringe upon the dignity of the nation and sovereignty of the country. We never make empty talk. The U.S. hard-line forces should correctly be aware of this. Those who rely on the anachronistic policy of strength and way of thinking can never avoid a stern judgment by history.

Further on Remarks

SK0810093895 Pyongyang KCNA in English 0933 GMT 8 Oct 95

["Illogical Remarks of Baker" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 8 (KCNA) — James Baker, former U.S. state secretary, in his recent interview with the newspaper USA TODAY, abused the Democratic People's Republic of Korea as a "culprit of nuclear proliferation." He, taking issue with the signing of the DPRK-U.S. framework agreement, said "What the North Korean Government can understand is only strength."

In a commentary NODONG SINMUN today says only those who are adroit in reversing black and white, regarding strength as almighty, can make such foolish remarks.

The paper further said:

As regards the mode of the signing of the framework agreement, Baker voiced no to "dealings with North Korea", saying "it is necessary to strictly deal with North Korea." This provides a glimpse of his anti-DPRK hysterics which has reached its height.

The framework agreement was signed by the DPRK and the U.S. to fundamentally resolve the nuclear issue in the Korean peninsula. It is not a U.S. offering to the DPRK. We want to be given light water reactors in return for freezing our independent nuclear industry.

Baker apparently dislikes the implementation of the agreement and is itching to have the DPRK stifled.

It is ridiculous of him to think that the U.S. policy of strength will go down with the DPRK.

Any kind of military threat does not work on the DPRK.

Our people love peace. But they never tolerate any attempt to impair the dignity of the nation and encroach on the sovereignty of the country.

We mean what we say.

The U.S. hardline warmaniacs must be mindful of this.

Those resorting to the anachronistic policy of strength and thinking pattern can never escape from a stern judgement by history.

Jiang Zemin, Envoy to PRC Discuss Ties

SK0710020995 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 6 Oct 95

[FBIS Translated Text] On the evening of 6 October, Comrade Jiang Zemin, general secretary of the CPC Central Committee, president of the Republic of China, and chairman of the CPC Central Military Commission, met and had cordial talks with Chu Chang-chun, our country's ambassador to China, before attending a banquet held at our country's embassy in Beijing.

Present at the talks were Ding Guangen, member of the Political Bureau and secretary of the Secretariat of the CPC Central Committee; Li Shuzheng, head of the International Liaison Department of the CPC Central Committee; Zhang Quanjing, head of the Organization Department of the CPC Central Committee; and other functionaries concerned.

In the meeting, Comrade Jiang Zemin said he was very pleased to come and warmly congratulate the 50th anniversary of the founding of the Workers Party of Korea [WPK]. He said he is pleasantly watching the accomplishments achieved by the entire Korean people in various domains of socialist construction, despite their sorrows, under Comrade Kim Chong-il's leadership even though a year has passed since Comrade Kim Il-song passed away. He said he truly congratulates the country on this.

Pointing out that Comrade Kim Il-song forged deep friendly relations with the aged proletarian revolutionaries of China, he recalled his meetings with President Kim Il-song on many occasions. He said the party and people of China deeply value the close relations of friendship between the two peoples of China and the DPRK and that he firmly believes that such friendship will unfailingly overcome trials.

Comrade Jiang Zemin said he is especially happy about all the achievements of the WPK. Saying that the friendly relations between the two parties and peoples of China and the DPRK have continuously overcome trials even under the complicated international situation, he expressed a firm belief that such friendly relations will continue to do so in the future.

The talks were held in a friendly atmosphere.

More on Meeting

SK0710064695 Pyongyang KCNA in English 0438 GMT 7 Oct 95

[FBIS Transcribed Text] Beijing, October 6 (KCNA) — Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, president of the People's Republic of China and chairman of the Central Military Commission, had a cordial conversation with Chu Chang-chun, Korean ambassador to China at the Korean Embassy in Beijing before participating in a banquet given at the embassy on the evening of October 6.

Present on the occasion were Ding Guangen, Politburo member and member of the Secretariat of the CPC Central Committee; Li Shuzheng, head of the International Liaison Department of the CPC Central Committee; Zhang Quanjing, head of the Organization Department of the CPC Central Committee; and other officials concerned.

On the occasion, Jiang Zemin said he was very happy to warmly congratulate the Workers' Party of Korea on its 50th anniversary.

He said he was rejoiced over the achievements gained by the entire Korean people in various domains of the socialist construction of Korea under the leadership of Comrade Kim Chong-il even in sorrow though one year or so has passed since Comrade Kim Il-song passed away, and sincerely hailed them.

Comrade Kim Il-song had very deep relations of friendship with the proletarian veteran revolutionaries of China, he said. He looked back upon his meetings with President Kim Il-song.

Noting that the Chinese party and people attach great importance to and set great store by the deep and thick relations of friendship between the two countries and two peoples of China and Korea, Jiang expressed firm conviction that the friendship will overcome trials without fail.

He said he was particularly rejoiced over all the achievements made by the Workers' Party of Korea and expressed the conviction that very complicated as the present international situation is, the friendly relations of the two parties, two countries and two peoples of China and Korea are surmounting and will surmount trials in the future, too.

The conversation proceeded in a friendly atmosphere.

Jiang Zemin at Beijing Banquet Marking Founding

SK0710021895 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 6 Oct 95

[FBIS Translated Text] On the occasion of the 50th anniversary of the founding of the glorious Workers Party of Korea [WPK], Chu Chang-chun, our country's ambassador to China, hosted a banquet at the embassy on the evening of 6 October.

Placed in front of the banquet hall were portraits of the great leader Comrade Kim Il-song and the great leader [yongdoja] Comrade Kim Chong-il.

Comrade Jiang Zemin, general secretary of the CPC Central Committee, president of the Republic of China, and chairman of the CPC Central Military Commission, was invited to the banquet.

Also present at the banquet were Ding Guangen, member of the Political Bureau and secretary of the Secretariat of the CPC Central Committee; Li Shuzheng, head of the International Liaison Department of the CPC Central Committee; Zhang Quanjing, head of the Organization Department of the CPC Central Committee; Liu Zhongde, member of the CPC Central Committee and culture minister; Dai Bingguo, deputy head of the Liaison Department of the CPC Central Committee; Vice Foreign Minister Tang Jiaxuan; Qian Shugen, deputy chief of General Staff of the Chinese People's Liberation Army; Wei Yu, vice minister of the State Education Commission; Sun Yongfu, vice minister of railways; Li Guohua, vice minister of foreign trade and economic cooperation; Zhou Ruijin, deputy editor-in-chief of REMIN RIBAO; and other functionaries concerned.

Chu Chang-chun, our country's ambassador to China, and embassy staff were also present at the banquet.

Chu Chang-chun, our country's ambassador to China, and Comrade Jiang Zemin, general secretary of the CPC Central Committee, spoke at the banquet.

The participants in the banquet toasted the great leader Comrade Kim Il-song's eternal life; the friendly relations between the two peoples of China and the DPRK that were forged with blood; the good health and long life of the great leader [yongdoja] Comrade Kim Chong-il; and the good health and long life of respected Comrades Deng Xiaoping and Jiang Zemin.

The banquet was held amid a warm and friendly atmosphere.

KCNA on Banquet

SK0710065495 Pyongyang KCNA in English 0441 GMT 7 Oct 95

[FBIS Transcribed Text] Beijing, October 6 (KCNA) — Chu Chang-chun, Korean ambassador to China, hosted a banquet at the embassy on October 6 to celebrate the 50th anniversary of the Workers' Party of Korea.

Invited to the banquet was Jiang Zemin, general secretary of the Central Committee of the Communist Party or China, president of the People's Republic of China and chairman of the Central Military Commission.

Also invited were Ding Guangen, Politburo member and member of the Secretariat of the CPC Central Commiotee; Li Shuzheng, head of the International Liaison Department of the CPC Central Committee; Zhang Quanjing, head of the Organisation Department of the CPC Central Committee; Liu Zhongde, member of the CPC Central Committee and minister of culture; and others.

Chu Chang-chun and Jiang Zemin spoke at the banquet.

The banquet proceeded in a warm and friendly atmosphere.

Jiang Speaks at Banquet

SK0710044695 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 6 Oct 95

[Speech by PRC President Jiang Zemin at a banquet held at the DPRK Embassy in Beijing on the evening of 6 October to mark the 50th anniversary of the founding of the Workers Party of Korea — read by announcer]

[FBIS Translated Text] Comrades, we will soon observe the 50th anniversary of the founding of the glorious Workers Party of Korea [WPK]. For the WPK, the last 50 years have been years of exceptional days, militant years, and years of victory.

We are very happy that we have been invited to a splendid banquet hosted by Ambassador Comrade Chu Chang-chun and joyfully congratulate the 50th anniversary of the founding of the WPK with the Korean comrades.

At this grand meetingplace where feelings of friendship between the comrades of China and the DPRK overflow, I, on behalf of the CPC Central Committee as well as in my own name, extend warm congratulations to respected Comrade Kim Chong-il, the WPK Central Committee, and the Korean people on the occasion of this festival day.

The WPK is a proletarian revolutionary party which was personally founded and led by Comrade Kim Il-song, the great leader of the Korean people, and which has a long history of glorious revolution. It is also an organizer and guide of all the victories of the Korean people.

The birth of the WPK is a proud crystallization won with blood by the Korean communists headed by Comrade Kim Il-song in a protracted period of struggle, and opened a new chapter in Korean history. During the last half of the century, the WPK headed by Comrade Kim Il-song has surmounted all hardships and difficulties with a heroic spirit that knows no fear, and has overcome all kinds of stern trials by leading the Korean people. Thereby, the WPK has founded the DPRK, whose masters are the Korean people, and achieved a great victory in the fatherland liberation war.

After the ceasefire, the diligent and courageous Korean people upheld the line of independence, self-sustenance, and self-defense expounded by Comrade Kim Il-song under the banner of the three revolutions — ideological, technical and cultural — and displayed the spirit of self-reliance and fortitude. Thus, they carried out the fatherland's socialist construction with firm will and devoted labor, achieving the success of drawing the world people's attention in various domains.

On the international arena, the WPK and the DPRK Government have consistently carried out their foreign polices of independence, friendship, and peace, and have continuously promoted friendly relations with the peoples of the world's various countries. They have also worked hard to promote peace and security on the Korean Peninsula, to expedite the independent and peaceful reunification of Korea, to protect the peace in Asia and the rest of the world, and to accelerate mankind's progressive cause. As a result, they have made a great contribution to these causes.

Being faced with complicated situations in recent years, the WPK has overcome manifold hardships and solidly marched along the road of DPRK-style socialism by firmly uniting the Korean people around it, repelling oppression, and calmly taking countermeasures. Thereby, the WPK has achieved new successes in its domestic work as well as in foreign policy.

Inheriting Comrade Kim Il-song's behests, all the WPK members and all the Korean people have firmly rallied around the WPK headed by Comrade Kim Chong-il, and are uninterruptedly waging a vigorous struggle to brilliantly build their socialist fatherland with firm will and resolution, to defend the sovereignty of Korea and the national interest, and to achieve the fatherland's independent and peaceful reunification.

The CPC and the Chinese people are continuously expediting the projects of reform and opening up and the cause of construction for modernization, upholding the theory on building socialism with Chinese characteristics and persistently adhering to the four cardinal principles with economic construction as a foundation and the basic line of reform and opening up. We have already registered a great success.

At the Fifth Plenary Meeting of the 14th CPC Central Committee which was held not long ago, a blueprint on reform and development spanning this century and the next was presented. We are filled with high confidence over the future of China.

The militant friendship forged under storms has solidly united the two parties and the two peoples of China and the DPRK as one.

We are happy about all the successes registered by the WPK and the Korean people as if they are our own, and wholeheartedly wish the WPK and the Korean people a new and greater victory under the leadership of Comrade Kim Chong-il.

Comrades, the two countries of China and the DPRK are friendly neighboring countries that enjoy a lips-and-teeth relationship, and exceptionally close traditional relations of friendship have been forged between the peoples of the two countries. Such friendships are forged with blood, have surmounted the stern trials of history, have already taken deep root among the two peoples, and have a great vitality.

The CPC and the Chinese people have always valued the traditional friendship between the two parties, the two countries, and the two peoples of China and the DPRK, and have considered it the firm long- term policy of our party and government to endlessly develop and strengthen the friendship.

Under the current complicated international situation, strengthening and consolidating the traditional friendship between China and the DPRK is of special significance. This not only coincides with the fundamental interests of our two parties, two countries, and two peoples, but is also favorable to safeguarding peace and security on the Korean Peninsula, Northeast Asia, and the rest of the world.

No matter how the international situation may change, the CPC and the Chinese people will continuously do their best to safeguard and develop the relations of friendship and cooperation between China and the DPRK.

We believe that the flower of PRC-DPRK friendship will fully bloom in the coming 21st Century without fail through joint and sincere efforts.

Comrades, upon ending my speech, I propose a toast to the enrichment and prosperity of the DPRK; to the good health and long life of Comrade Kim Chong-il; to the health of all the Korean comrades who are here; and to the health of all the comrades gathered in this place, expressing the wish that the traditional friendship between the peoples of the two countries will shine forever and offering congratulations on the 50th anniversary of the founding of the WPK.

Emphasizes Friendship

SK0710065295 Pyongyang KCNA in English 0445 GMT 7 Oct 95

["Jiang Zemin on Sino-Korean Friendship" — KCNA headline]

[FBIS Transcribed Text] Beijing, October 6 (KCNA) — Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, president of the People's Republic of China and chairman of the Central Military Commission, emphasized Sino-Korean friendship in his speech at a banquet given by DPRK Ambassador to China Chu Chang-chun on October 6 on the occasion of the 50th anniversary of the Workers' Party of Korea.

China and Korea are neighbours living cheek by jowl, and the two peoples have extraordinary deep, traditional friendship, he said.

This friendship, he said, cemented by blood and tested by history, is deeply rooted in the two countries and has strong and lasting vitality. He stressed that it is of particular importance in the present complicated international situation to consolidate and strengthen the traditional friendship between China and Korea.

The Communist Party and people of China will spare no effort in safeguarding and developing Sino-Korean cooperation no matter how the international situation changes, he said.

He expressed the belief that the flowers of Sino-Korean friendship will bloom even more colorfully in the 21st century, under the joint effort and careful cultivation of both sides.

More on Speech

SK0710070495 Pyongyang KCNA in English 0456 GMT 7 Oct 95

["Jiang Zemin on Importance of Sino-DPRK Friendship" — KCNA headline]

[FBIS Transcribed Text] Beijing, October 6 (KCNA) — Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, president of the People's Republic of China and chairman of the Central Military Commission, made a speech at a banquet arranged by the ambassador of the Democratic People's Republic of Korea to China, Chu Chang-chun, today to mark the 50th anniversary of the founding of the Workers' Party of Korea.

He said the past 50 years were five decades of uniqueness, of fighting and of victory for the WPK.

On behalf of the CPC Central Committee and of his own, he extended warm and sincere congratulations to respected Comrade Kim Chong-il, the WPK Central Committee and the Korean people on the occasion of the anniversary.

The WPK is a proletarian revolutionary party that was founded and led by Comrade Kim Il-song, the great leader of the Korean people, he said, adding that, with a long, glorious tradition of revolutionary struggle, it has been the organizer and leader of the Korean people in every single success they've had.

He further said:

In recent years the WPK, in the complicated international situation, has rallied the Korean people closely around itself, repulsed pressure and componedly [as received] coped aith it, overcoming manifold difficulties, unshakably advancing along the road of Korean-style socialism and continuing to register fresh achievements in domestic and foreign affairs.

The WPK members and all other people of Korea, true to the behests of Comrade Kim Il-song and united closely around the WPK headed by Comrade Kim Chong-il, continue vigorously striving to successfully build their socialist country with firm will and resolution, defend the sovereignty and national interests of Korea and achieve the independent and peaceful reunification of the country.

The CPC and the Chinese people, he noted, are pushing ahead with reforms, opening to the outside world and modernization, in line with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the main policy of "putting stress on economic construction, maintaining four basic principles and continuing reforms and opening to the outside world."

The militant friendship forged on the same boat in storms has closely united the two parties and peoples of China and the DPRK, he said, and continued:

We are as happy with the victories and achievements of the WPK and the Korean people as they are with their own, and sincerely hope that under the leadership of Comrade Kim Chong-il, they will make even greater accomplishments.

Referring to the friendly relations between the two countries, he said:

China and the DPRK are neighbours living cheek by jowl, and the two peoples have extraordinarily deep, traditional friendship. This friendship, cemented by blood and tested by history, is deeply rooted in the two countries and has strong and lasting vitality.

The CPC and Chinese people have always treasured this traditional friendship between the two parties, two countries and two peoples of China and the DPRK and regarded it as the unswerving long-term policy of our party and government to further consolidate and develop this friendship.

It is of particular importance in the present complicated international situation to consolidate and strengthen the traditional friendship between China and the DPRK.

This will be beneficial not only to the fundamental interests of the two parties, two countries, and two people, but also to safeguarding peace and stability in the Korean Peninsula and Northeast Asia, and even in the world as a whole.

The CPC and Chinese people will spare no effort in safeguarding and developing Sino-DPRK friendship and cooperation no matter how the international situation changes. We believe that the flowers of Sino-DPRK friendship will bloom even more colorfully in the 21st century, under the joint effort and careful cultivation of both sides.

He proposed a toast to the 50th anniversary of the glorious WPK, the prosperity and development of the DPRK and good health and a long life of Comrade Kim Chong-il.

Jiang Zemin Sends Message to Kim Chong-il

SK0910233995 Pyongyang Korean Central Broadcasting Network in Korean 2113 GMT 9 Oct 95

[FBIS Translated Text] Comrade Kim Chong-il, the great leader of our party and people, has received a congratulatory message from Comrade Jiang Zemin, general secretary of the CPC Central Committee, on the 50th anniversary of the Workers Party of Korea [WPK].

The congratulatory message reads:

Pyongyang.

Respected Comrade Kim Chong-il of the WPK Central Committee Presidium:

On behalf of the CPC Central Committee, all CPC members, and myself, I extend warm and wholehearted congratulations to you, as well as the WPK Central Committee, all WPK members, and the DPRK people through you, on the 50th anniversary of the glorious WPK.

The WPK is a revolutionary party of the proletarians which has a long and honorable history of revolutionary struggle. The birth of the WPK is a glorious crystallization of efforts achieved in the course of a long bloody struggle of Korean communists headed by Comrade Kim Il-song and is an important milestone in the Korean history.

While leading the heroic DPRK people, the WPK has carried out the unprecedentedly arduous and heroic struggle for the past 50 years and has founded the DPRK, whose masters are the people, by overcoming multifold difficulties and all harsh ordeals and trials. It also embroidered an excitable and baronial history by achieving the victory in the fatherland liberation war.

After the war, the WPK headed by Comrade Kim Il-song led all the DPRK people to carry out the large-scale three revolutions — ideological, technological, and cultural — and achieved notable results in each revolution by displaying the revolutionary spirit of self-reliance and fortitude in an extremely difficult situation.

The WPK, as well as the DPRK Government, has invariably practiced its external policy of independence, friendship, and peace in the international arena and has actively developed friendly relations with the peoples of many countries in the world. It has also made constant efforts and active contributions to promoting peace and security on the Korean peninsula, achieving independent and peaceful reunification of the fatherland, protecting peace of Asia and the world, and promoting mankind's progressive cause.

By firmly uniting all the DPRK people around itself, the WPK has unvaryingly advanced along the road of socialism while overcoming pressure and difficulties and has constantly accumulated excellent achievements in the complicated international situation in recent years.

Today, all WPK members and all the DPRK people are actively struggling to excellently build their socialist country with strong will and determination, firmly united around the WPK headed by you, succeeding Comrade Kim Il-song's intent.

The CPC and the Chinese people are really happy with all results achieved by the WPK and the DPRK people and truly wish the WPK headed by you new greater successes in carrying out socialist construction, in achieving the independent and peaceful reunification of the county, and in protecting peace and security on the Korean peninsula by leading the DPRK.

China and the DPRK are friendly and neighboring countries which share a border. The two parties, the two countries, and the two peoples of China and the DPRK have traditional friendship. The friendship was created and developed personally by the two countries' leaders of the old generation and has planted its roots deep in the minds of the peoples of the two countries. Today, the traditional China-DPRK friendship is constantly being consolidated and developed in the empathic concern of the leaders [yongdojadul] of the two parties and the two countries.

The CPC always values the traditional friendship between China and the DPRK. It is our party's steadfast policy to constantly consolidate and develop China-DPRK friendship. To protect, strengthen, consolidate, and develop China-DPRK friendship continually in this complicated international situation not only conforms with the fundamental interests of the peoples of our two parties and two countries, but also is significant in promoting peace and security on the Korean peninsula, of Northeast Asia, and the rest of world.

As we did in the past, we will continually consolidate and strengthen the traditional China-DPRK friendship and will make constant efforts to protect and develop friendly relations between China and the DPRK.

I sincerely wish China-DPRK friendship can be inherited generation after generation and remain fresh forever.

[Signed] Jiang Zemin, general secretary of the CPC Central Committee

[Dated] 9 October 1995, Beijing

CPC Central Committee Sends Basket to WPK

*SK0910105195 Pyongyang KCNA in English
1039 GMT 9 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 9 (KCNA) — A floral basket came to the Central Committee of the Workers' Party of Korea [WPK] from the Central Committee of the Communist Party of China [CPC] on the occasion of the 50th anniversary of the WPK.

The floral basket was conveyed to an official concerned by Chinese Ambassador to Korea Qiao Zonghuai on October 9.

The ambassador said on the occasion that the WPK founded by the great leader Comrade Kim Il-song has a glorious 50-year-long history.

The Communist Party members and people of China are sincerely rejoiced over all the achievements made by the WPK, he noted.

He said: China and Korea are neighbours with mountains and rivers interlinked. We have forged friendship with blood in the struggle against the common enemy.

To consolidate and develop the Sino-Korean friendship is a unanimous desire of the entire party members and people of China. The friendship between China and Korea will further shine under the leadership of the CPC Central Committee with Comrade Jiang Zemin at the core and the WPK Central Committee headed by the great leader Comrade Kim Chong-il.

Daily Criticizes Japan's 'White Paper on Aid'

*SK0710103995 Pyongyang KCNA in English
1006 GMT 7 Oct 95*

["Bait for Domination" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 7 (KCNA) — NODONG SINMUN today, commenting on the "white paper on aid" released by the Japanese Government recently, says Japan's "aid" to developing nations is just a bait for domination.

The paper says:

In the "white paper" Japan set a condition to "aid", saying it will be used as "means of promoting disarmament and democracy" in developing countries. This is interference in their internal affairs and reveals the reactionary nature of "aid."

Developing nations' disarmament and democracy are a matter pertaining to their sovereignty and rights to choice.

Under the pretext of "aid," Japan intends to dominate the world in such a way as interfering in the internal affairs of developing nations which need money and putting them under its thumb.

By giving "aid" to them, Japan also seeks to make impressions that it is interested in "disarmament" and aspires after "democracy" and win the favor of the Japanese and other peoples. In this way, Japan wants to improve its image in the international community and turn itself into a political power. Now Japan is trying to create an atmosphere favorable to its getting a permanent seat in the United Nations Security Council and taking part in the Non-aligned Movement as a guest.

But nobody will be deceived by the craftiness peculiar to Japan and its transparent subterfuge.

Daily Criticizes Japan's Remarks on South Ties

*SK0710115595 Pyongyang KCNA in English
1048 GMT 7 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 7 (KCNA) — Top officials of the Japanese Government, in recent "press conference" and "talks", cried for further cementing tieups with the South Korean puppets, saying "Japan and South Korea should cope with North Korea's nuclear issue with joint effort" and the resumption of DPRK-Japan talks for the establishment of diplomatic relations is a "matter which requires full discussions with South Korea."

In a commentary MINJU CHOSON today says this unmasks the Japanese reactionaries' sinister intention to reinvade Korea without much efforts by using the South Korean puppets as a shock brigade against the Democratic People's Republic of Korea.

The paper further says:

The Japanese reactionaries and the South Korean puppets are persistently raising a clamour about the non-existent "nuclear issue" of the DPRK in the hope of justifying their vicious anti-DPRK campaign and diverting world public attention elsewhere, but to no effect.

The anti-DPRK campaign the Japanese reactionaries have launched with the South Korean puppets is a useless act which will give them nothing.

The South Korean puppets must know that such a despicable behavior of theirs as following the Japanese reactionaries is not a way of prolonging their days.

History shows that destruction and death are all those engaging in aggression and war against the trend of the time will get.

The Japanese reactionaries must clearly see the situation and promptly renounce their hostile policy towards the DPRK. This is necessary for Japan itself.

Papers Denounce Japanese 'Imperialists'

SK0910104495 Pyongyang KCNA in English 1035 GMT 9 Oct 95

["Papers Comment on Crimes of Japanese Reactionaries and Traitors to Nation" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 9 (KCNA) — Papers here today carry commentaries one hundred years since "Ulmi Event" in which the Japanese imperialists murdered Queen Min of the feudal state of Yi Dynasty.

NODONG SINMUN says that the murder of Queen Min, an outcome of the Japanese imperialists' deep-rooted aggressive design to reduce Korea to their colony, was the most outrageous encroachment upon the dignity of the Korean nation and its sovereignty, and an international murder unprecedented in history. And it was a heinous crime which could be committed only by the Japanese imperialist brutes in human skin, it stresses, and goes on:

In more than 40 years of their colonial rule over Korea, the Japanese imperialists murdered above one million Koreans, drafted six million for forced labour and military service in their aggression war and reduced nearly 200,000 women to "sex slaves".

We will never pardon the Japanese militarist forces who inflicted immeasurable sufferings and disasters upon our people in the past and are running amuck to repeat the past, and will make them pay dear for their crimes without fail.

The traitor Kim Yong-sam is nullifying the Japanese imperialists' past history full of crimes, saying that the improvement of relations with Japan should not "fall captive to the past", and undisguisedly stepping up the tieup with the Japanese reactionaries in politics, the economy and military, the analyst denounces, and says:

Our people will give eternal curse and condemnation to such a group of traitors to the nation as the Kim Yong-sam group, who are seeking a way out in strengthening the tieup with the sworn enemy of the nation, and deal a stern blow of history at them.

MINJU CHOSON says that the Kim Yong-sam group, who are making a clean sheet of the Japanese imperialists' past history of crimes and opening a wide road of reinvasion for the Japanese reactionaries, must renounce their pro-Japanese flunkeyist treachery and step down as unanimously demanded by the South Korean people.

'Ulmi Event' Reveals Japanese 'Brutality'

SK0910102895 Pyongyang KCNA in English 1014 GMT 9 Oct 95

["'Ulmi Event' Reveals Japanese Imperialists' Brutality" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 9 (KCNA) — The Japanese militarists' October 8, 1895 assassination of Min, wife of King Kojong the 26th king of the Yi Dynasty, recorded as an "Ulmi Event" in history is one of the most brutal and shameful crimes they have committed against the Korean people in the modern age, said Prof. and Dr. Yi Chong-hyon in an article contributed to NODONG SINMUN October 8.

According to data discovered by the historians of Korea, it has been made clear that the king's "royal order on dethroning the queen" to take off the title of queen from Min and reduce her to a woman of low birth was a false document fabricated by the Japanese militarists, the article says.

The Japanese imperialists murdered the queen of a country and faked up and proclaimed even an important state document for the aggressive aim. They fabricated a false document such as the "Ulsa Five-Point Treaty" in 1905, to occupy Korea and unhesitatingly murdered a great many Koreans.

The Japanese authorities refuse to admit the past history of aggression and crimes up till now 50 years since the defeat of the Japanese imperialists and evade paying war reparation and other compensation, says the article, noting that it can not be construed otherwise than an ulterior intention to repeat them.

Pointing out that the Japanese militarists' aggressive and plundering nature remain unchanged at all, the article stresses that the Korean people will not abandon the struggle until they make them pay the price for the blood.

Navy Ships Try To 'Abduct' North Fishing Boat

SK0710055495 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 6 Oct 95

[FBIS Translated Text] On 6 October, the South Korean puppets infiltrated a group of combat vessels into our side's territorial waters on the West Sea and committed a grave armed provocation against us.

Around 0620 [2120 GMT on 5 October] on 6 October, three combat vessels of the puppet army that was laying an ambushed around Taechong Island, illegally intruded into our side's territorial waters in battle formation with a view to abducting a fishing boat that was peacefully sailing near Mahap Island in front of Chejang-ri, Ongjin County, South Hwanghae Province.

A naval patrol boat of the Korean People's Army, which was protecting the socialist fatherland's sea with high alertness, immediately put to sea. With the emergence of our side's naval patrol boat, the group of puppet combat vessels ran away in a flurry to the South side, firing large-caliber automatic guns at a peaceful boat.

The group of puppet combat vessels' infiltration into our side's territorial waters and their armed provocative act are deliberate and premeditated provocations to divert the attention of the South Korean people and students who have risen up for the reunification of the fatherland and the anti-government struggle and to drive North-South relations to an extreme confrontation.

If the Kim Yong-sam group continues on the road of pursuing North-South confrontation and division by continuously tensing and aggravating the situation, despite our repeated warnings, the rascals will not be able to escape stern punishment.

Commentary Explains Attempt

SK0710145495 Pyongyang Korean Central Broadcasting Network in Korean 1224 GMT 7 Oct 95

[Commentary by Kim Ho-sam: "Desperate Fight of People Who Are in a Difficult Situation"]

[FBIS Translated Text] The South Korean puppets committed again a grave military provocation against us in our territorial waters on the West Sea.

As reported, around 0620 [2120 GMT on 5 October] on 6 October, the South Korean puppets rapidly infiltrated three combat vessels of the puppet army, which were ambushed around Taechong Island, into our side's territorial waters to abduct a fishing boat that was peacefully sailing near Mahap Island at Chejang-ri in Ongjin County, South Hwanghae Province.

The puppets were not able to achieve their goal, because our Naval patrol boat, which became aware of the situation, was urgently dispatched to the territorial waters to deal with them. The puppets randomly fired large-caliber automatic guns at our peaceful fishing boat and ran away in a flurry to the South. This is another deliberate and planned military provocation against our Republic. We cannot but regard this as very serious. This provocative incident by the puppets on the West Sea is not the first one.

On 30 May, the puppets illegally infiltrated the No. 86 Usong-ho into our side's territorial waters. As a self-defensive step, we captured the ship and it is presently detained in our side. At that time, one ship committed such provocation. By the way, the three vessels, not one vessel, attempted to commit a pirate act in a group this time, attacking the fishing boat.

Then, the question is why the puppets attempted to abduct our side's fishing boat with their vessels in battle formation. First of all, this is because the puppet Kim Yong-sam government has been denounced by the people at home and abroad, as well as because it has faced the worst political crisis — which has never occurred since it took office — as a result of its anti-peace and anti- reunification policy.

As is known, right now, the Kim Yong-sam ring has been literally driven into a corner from which it cannot escape, because it protects the culprits of the 18 May [1980] Kwangju massacre. The South Korean people's struggle to find out the truth about the 18 May Kwangju uprising was initiated in August to demand the punishment of the culprits and it was further accelerated in September. On 29 September, students of approximately 120 universities in South Korea staged a boycott demanding the punishment of the culprits of the Kwangju massacre, the establishment of a special law, and the introduction of the special prosecution system. According to a report, more than 30,000 students joined the boycott.

Not only the South Korean youth and students, but also a large number of people — including teachers of middle schools, professors of universities, religious men, and lawyers — are participating in the struggle to find out the truth of the 18 May [1980] Kwangju uprising.

Traitor Kim Yong-sam has been driven to a corner because of the massive anti-government struggle. Acknowledging that he cannot go through the latter half of his term of office without difficulty unless he overcomes this crisis, traitor Kim Yong-sam needed to shift the public attention to something else.

Another reason the Kim Yong-sam ring conducted such reckless military provocations is related to the reunification issue. Now, a mood aspiring for the independent and peaceful reunification is unprecedentedly great in the North and the South of the Korean peninsula. However, the antireunification and fascist rascal continues to pour cold water onto the reunification mood.

The puppets' maneuver at Panmunjom on 3 October is evidence that proves this. On that day, as soon as Chong Min-chu and Yi Hye- chong, representatives of the Korea Federation of University Student Councils — who returned from the North after carrying out just activities for reunification in front of the eyes of our people and the people of the world — crossed over the Military Demarcation Line at Panmunjom, the puppets twisted their arms, kicked them, and carried them in a military vehicle to Seoul, where they are in custody.

Astonished at the puppets' behavior, the world press is rising voices of protest and denunciation cursing the South Korean puppets. Because of their brutal acts, the puppets have been extremely isolated and denounced not only by the South and North Korean people but by the people of the world.

The Kim Yong-sam ring concocted and staged another surprising drama to escape from the critical situation. However, the puppets cannot overcome the ruinous situation, nor can they avoid the power crisis, with these military provocations. Military provocations will only bring about an aftermath like chopping one's own foot with an ax.

The South Korean people are now determined to continue the struggle to punish the ringleaders of the Kwangju massacre and overturn the Kim Yong-sam ring until they see the end of them, saying they do not have to watch the Kim Yong-sam civilian government any longer and hope nothing from it.

If the South Korean puppets continuously adhere to reckless military provocations, they will not avoid stern punishment of history and the people. The puppets should not recklessly run wild.

Kim Chong-il Attends Chongnyu Bridge Ceremony

SK0910145295 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 9 Oct 95

[FBIS Translated Text] The ceremony to open the Chongnyu Bridge and the second Kumnung Tunnel was grandly held in the presence of the great leader [yongdoja] Comrade Kim Chong-il.

In the presence of Comrade Kim Chong-il, the great leader of our party and people, the ceremony to open the Chongnyu Bridge and the second Kumnung Tunnel was grandly held on 9 October.

The Chongnyu Bridge and the second Kumnung Tunnel, which were newly built in Pyongyang, the capital of the revolution, for the 50th anniversary of the founding of the glorious Workers Party of Korea [WPK], are monumental creations of the WPK era that have been prepared by our party's firm will and wise leadership in order to provide happier and more civilized living conditions for our people.

As a result of the construction of the grand Chongnyu Bridge and the second Kumnung Tunnel, traffic problems for citizens in the capital have been more satisfactorily solved. In harmony with the 1 May Stadium, Nungna Bridge, and Moranbong, the landscape of the Taedong River bank has been altered to be even prettier.

Upholding the respected and beloved supreme comrade leader, our one-is-a-match-for-one-hundred soldiers have completed the massive work project in the shortest period with the active support of workers, youth, and students across the country, and have prepared this proud and laborious gift for the 50th anniversary of the founding of the WPK. As a result, they have fully displayed the invincible might and combatant vigor of the revolutionary armed forces who are moving forward under the leadership of the great leader [yongdoja].

These creations have been built in the capital during a period of upsurge in which the socialist fatherland's vigorous spirit for victory was displayed throughout the world. This is a sacred expression of the high sense of loyalty and the indomitable spirit of the soldiers of the heroic Korean People's Army and the Korean People's Security Forces. This clearly shows the true life of the Kim Il-song nation in which whole-hearted unity has been developed between the supreme commander and his soldiers and between the leader [yongdoja] and the people.

At the entrance to the Chongnyu Bridge and those areas near it, officers and soldiers of the Korean People's Army and the Korean People's Security Forces, who have glorified the rewarding days of construction with creations and feats, were formed in a line to loyally report to the respected and beloved supreme comrade commander.

A picture of Comrade Kim Il-song, the great leader of our party and people, was placed at the site of the opening ceremony. Slogans reading "Hurrah for the great leader Comrade Kim Il-song" and "Hurrah for the glorious WPK" were placed at the site. Also placed at the site were large propaganda placards reading "The great leader Comrade Kim Il-song is with us forever," "Let us more thoroughly arm ourselves with the great leader Comrade Kim Il-song's revolutionary ideas," "Let us fight for the respected and beloved supreme commander Comrade Kim Chong-il at the risk of our lives," "Let us give loyalty and dutifulness to the respected and beloved supreme commander Comrade Kim Chong-il," "The fatherland will never forget soldiers' feats," and "Let us become the lifeguards and death-defying corps who are endlessly loyal to the great leader Comrade Kim Il-song and the glorious party." The flag of the party as well as red banners waved.

Balloons with engraved letters reading "Glory will be given to the revolutionary armed forces who are loyal to our party" and "We will do what the party decides" flew over the ceremony site.

The face of every participant overflowed with a boundless feeling of gratitude for the respected and beloved General Kim Chong-il, who more grandly and brilliantly developed Pyongyang as the paradise of the people as intended by the great leader Comrade Kim Il-song during his lifetime, and with great national dignity and pride over being blessed by the leader [suryong] generation after generation.

While a song welcoming him was sung, Comrade Kim Chong-il, chairman of the DPRK National Defense Committee and supreme commander of the Korean People's Army, who is the great leader [yongdoja] of our party and people, arrived at the site of the opening ceremony.

At that moment, the soldiers who greeted the respected and beloved supreme commander were full of a great pleasure and excitement, shouting a stormy cheer of "Hurrah."

Korean People's Army Marshal Comrade Choe Kwang, member of the Political Bureau of the WPK Central Committee, vice chairman of the DPRK National Defense Committee, member of the party Central Military Commission, and minister of the Ministry of the People's Armed Forces; Comrade Kye Ung-tae, member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrade So Yun-sok, member of the Political Bureau of the WPK Central Committee, responsible secretary of the South Pyongan provincial party, and chairman of the South Pyongan Provincial People's Committee; Comrade Kim Chol-man, alternate member of the Political Bureau of the WPK Central Committee and member of the DPRK National Defense Committee; Comrade Yon Hyong-muk, alternate member of the Political Bureau of the WPK Central Committee, responsible secretary of the Chagang provincial party, and chairman of the Chagang Provincial People's Committee; Korean People's Army Marshal Comrade Yi Ul-sol, member of the WPK Central Military Commission and member of the DPRK National Defense Committee; Comrades Kim Kwang- chin and Yi Ha-il, members of the WPK Central Military Commission, members of the DPRK National Defense Committee, and vice marshals of the Korean People's Army; Comrades Paek Hak-nim and Chon Myong-nok, members of the WPK Central Military Commission and vice marshals of the Korean People's Army; Comrade Kim Yong-chun, vice marshal of the Korean People's Army; Comrade Kim Ki-nam, secretary of the WPK Central Committee; General Pak Ki-so and General Kim Myong-kuk, members of the WPK Central Military Commission; responsible secretaries of each provincial party; soldier delegates from the army units to mark the 50th anniversary of the founding of the WPK; and generals of the Korean People's Army and the Korean People's Security Forces attended the opening ceremony.

Responding to the cheers of the soldiers, Comrade Kim Chong-il cut the red ribbon placed across the entrance to the Chongnyu Bridge, and announced the opening of the Chongnyu Bridge and the second Kumnung Tunnel.

With their boundless excitement, the soldiers greeted the moment of glory and loudly shouted "hurrah," admiring the respected and beloved supreme comrade commander. Tens of thousands of balloons rose into the sky.

Touring the Chongnyu Bridge and the second Kumnung Tunnel with leading party and Army cadres, Comrade Kim Chong-il specifically summed up the construction status and expressed great satisfaction for the soldiers who outstandingly built the monumental creations of the WPK era in a short period, displaying a mass-oriented heroism and creation, and cherishing in their hearts the firm faith that we will do what the party decides. He also highly praised their laborious achievement.

Along with the capital of the fatherland, which is becoming prosperous, the Chongnyu Bridge and the second Kumnung Tunnel built by the respected and beloved supreme commander Comrade Kim Chong- il's grand plan and energetic leadership will shine forever, handing down to generations to come our party's love for the people.

More on Ceremony

SK0910155395 Pyongyang KCNA in English
1546 GMT 9 Oct 95

["Grand Ceremony for Opening to Traffic Bridge and Tunnel in Presence of Comrade Kim Chong-il" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 9 (KCNA) — A grand ceremony for opening to traffic the Chongnyu Bridge and Kumnung Tunnel No.2 built in Pyongyang was held on October 9 in the presence of the great leader Comrade Kim Chong-il.

The bridge and tunnel were built on the order dated November 9, 1994 of Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA]. They are monumental edifices of the era of the Workers' Party which have been built with the steadfast will and wise guidance of our party to successfully realize the great plan for building the capital of the great leader President Kim Il-song.

Amid the playing of welcome music the great leader Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army, arrived at the place for the ceremony.

The moment, a storm of cheers of "hurrah!" burst forth.

Present at the ceremony were Marshal of the KPA Choe Kwang, member of the Political Bureau of the WPK Central Committee, vice- chairman of the National Defence Commission of the DPRK, member of the Party Central Military Commission and minister of the People's Armed Forces; Kye Ung-tae, member of the Political Bureau and secretary of the WPK Central Committee; and other senior party and state officials and officers and men of the KPA and the Korean People's Security Forces.

Acknowledging the cheers of the soldiers, Comrade Kim Chong-il cut off a red cloth in the entrance to the Chongnyu Bridge to declare the opening to traffic of the Chongnyu Bridge and Kumnung Tunnel No.2.

When Comrade Kim Chong-il cut the red cloth soldiers shouted "hurrah!" looking up to him.

He, accompanied by leading officials of the party and the army, inspected the Chongnyu Bridge and Kumnung Tunnel No. 2. He acquainted himself in detail with the construction, expressed deep satisfaction with the fact that soldiers have wonderfully built monumental edifices of the era of the Workers' Party in a short span of time by displaying mass heroism and creative ingenuity and highly appreciated their successful construction.

Kang Song-san Attends WPK Monument Ceremony

SK0910150095 Pyongyang Korean Central Broadcasting Network in Korean 1000 GMT 9 Oct 95

[FBIS Translated Excerpt] [Unidentified male announcer] This is a recorded broadcast of the ceremony on the completion of the Party Founding Monument which was held on the afternoon of 9 October.

[Unidentified female announcer] This is Munsu Street where the Party Founding Monument magnificently stands as a grand commemorative monument of the era, welcoming the 50th anniversary of the founding of the Workers Party of Korea [WPK], an invincible chuche-style party. In a minute, a ceremony will be held marking the completion of the Party Founding Monument. [passage omitted]

Responsible functionaries from party, organs of power, administrative and economic organs, and social organizations; responsible functionaries of science, education, culture and art, health, and press and publication; anti-Japanese revolutionary fighters; officers, men, and soldiers of the Korean People's Army and Korean People's Security Forces; heroes; people of merit; representatives to celebrate the 50th anniversary of the party's founding; creators and architects of the Mansudae Art Studio and Paektusan Architecture Institute; party shock brigade members; and various party members and workers throughout the city will participate in the completion ceremony.

Members of the congratulatory group of the South Korean National Democratic Front [SKNDF] to celebrate the 50th anniversary of the founding of the WPK; the congratulatory group of Koreans residing in Japan to celebrate the 50th anniversary of the founding of the WPK; members of various delegations of the General Association of Koreans Residing in Japan [Chongnyon]; and overseas fellow countrymen from various regions are on hand for the ceremony.

In addition, the SKNDF mission in Pyongyang, diplomatic representatives from various countries to the DPRK, and foreign guests have been invited to the completion ceremony. Participants recollected our party's glorious 50-year history with a rigorous mind which shines with the respected and beloved leader's [suryong] great name and immortal achievements, and overflowed with the iron-like and blazing determination to complete the party's cause and the chuche cause to the end which was accumulated by the respected and beloved leader [suryong] by devoting his life in accordance with the leadership of the great leader [yongdoja] Comrade Kim Chong-il.

Comrade Kang Song-san, member of the Political Bureau of the WPK Central Committee and premier of the Administration Council; Comrades Yi Chong-ok, Pak Song-chol, Kim Yong-chu, members of the Political Bureau of the WPK Central Committee and vice presidents; Vice President Kim Pyong-sik, chairman of the Korean Social Democratic Party Central Committee; party, government, and military cadres; and people of merit appeared at the site of the ceremony.

Chongnyon functionaries including Ho Chong-man, responsible vice chairman of the Chongnyon Central Standing Committee who is also the head of the congratulatory group of Koreans residing in Japan to celebrate the 50th anniversary of the founding of the WPK, also appeared at the site of the ceremony.

[Begin recording] [Unidentified speaker] Now the ceremony for the completion of the Party Founding Monument will begin. [national anthem played]

Comrade Choe Tae-pok, alternate member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee, will give a speech on the completion of the Party Founding Monument. [passage omitted]

We will now complete the Party Founding Monument completion ceremony. [end recording]

Attends Ceremony at Cemetery

SK0910131895 Pyongyang Korean Central Broadcasting Network in Korean 0806 GMT 9 Oct 95

[FBIS Translated Excerpt] On the morning of 9 October, on the 50th anniversary of the founding of the honorable Workers Party of Korea [WPK], party and government cadres, congratulatory delegates, and workers from all sectors laid wreaths at the Mt. Taesong Revolutionary Martyrs Cemetery.

A wreath sent by Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, was at the wreath-laying stand.

Those present at the wreath-laying ceremony were Comrade Kang Song-san, member of the WPK Central Committee Political Bureau and premier of the Administration Council; Comrade Pak Song-chol, member of the WPK Central Committee Political Bureau and vice president; Comrade Kim Yong-nam, member of the WPK Central Committee Political Bureau and vice premier of the Administration Council; Comrade Kim Chol-man, candidate member of the WPK Central Committee Political Bureau; Comrade Yang Hyong-sop, candidate member of the WPK Central Committee Political Bureau and chairman of the Supreme People's Assembly; Comrade Kim Ik-hyon, vice marshal of the Korean People's Army [KPA]; Comrade Kim Kuk-tae, secretary of the WPK Central Committee; Comrade Kim Pok-sin, vice premier of the Administration Council; Comrade Chon Mun-sop, chairman of the State Inspection Commission of the Central People's Committee; senior officials of party and state organizations, administrative and economic organizations, public organizations, and committees as well as ministers of the Administration Council and central organizations; soldiers of the KPA and the Korean People's Security Forces; senior officials of public security workers; officials of scientific, educational, cultural and artistic, public health, and press and publication sectors; young people and students; and workers in the city. The national anthem was played.

While the music for presenting wreaths was being played, wreaths were laid in the name of the WPK Central Committee, the DPRK Central People's Committee, and the DPRK Administration Council. [passage omitted describing presentation of wreaths of other participants]

Kim Pyong-sik at Ceremony at Martyrs Cemetery

SK0910132595 Pyongyang Korean Central Broadcasting Network in Korean 0814 GMT 9 Oct 95

[FBIS Translated Excerpt] On the morning of 9 October, on the 50th anniversary of the founding of the honorable Workers Party of Korea [WPK], party and government cadres, People's Army soldiers, workers, and young people and students laid wreaths at the Patriotic Martyrs Cemetery.

A wreath sent by Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, was also at the Patriotic Martyrs Cemetery.

Those present at the wreath-laying ceremony included Vice President Kim Pyong-sik, chairman of the Central Committee of the Korean Social-Democratic Party; Comrade Han Song-yong, member of the WPK Central Committee Political Bureau and secretary of the WPK Central Committee; Comrade Choe Yong-nim, candidate member of the WPK Central Committee Political Bureau and vice premier of the Administration Council; Comrade Hong Sok-hyong, candidate member of the WPK Central Committee Political Bureau and chairman of the State Planning Commission; Comrades So Kwan-hui and Kim Yong-sun, secretaries of the WPK Central Committee; Comrades Kim Yun-hyok and Chang Chol, vice premiers of the Administration Council; Comrade Yun Ki-pok, chairman of the Economic Policy Committee of the Central People's Committee; senior officials of party and state organizations, administrative and economic organizations, public organizations, committees and ministries of the Administration Council, and central organizations; generals of the KPA; senior officials of scientific, educational, and press and publication sectors; workers from Pyongyang; and young people and students. The national anthem was played.

While the music for presenting wreaths was being played, wreaths were laid in the name of the WPK Central Committee, the DPRK Central People's Committee, and the DPRK Administration Council. [passage omitted]

Yi Chong-ok Attends Ceremony at Monument

SK0910134095 Pyongyang Korean Central Broadcasting Network in Korean 0811 GMT 9 Oct 95

[FBIS Translated Text] On the morning of 9 October, on the 50th anniversary of the founding of the honorable Workers Party of Korea [WPK], party and government cadres, People's Army soldiers, workers, and young people and students presented floral baskets at the Monument to the Victorious Fatherland Liberation War.

A wreath sent by Comrade Kim Chong-il, the great leader [yongdoja] of our party and people as well as chairman of the DPRK National Defense Committee and supreme commander of the Korean People's Army, was in front of the statue of victory at the Monument to the Victorious Fatherland Liberation War.

Those present at the wreath-laying ceremony included Comrade Yi Chong-ok, member of the WPK Central Committee Political Bureau and vice president; Comrade Chon Pyong-ho, member of the WPK Central Committee Political Bureau and secretary of the party Central Committee; Comrade Choe Tae-pok, candidate member of the WPK Central Committee Political Bureau and secretary of the party Central Committee; Comrade Hong Song-nam, candidate member of the WPK Central Committee Political Bureau and vice premier of the Administration Council; Comrades Hwang Chang-yop and Kim Chung-nin, secretaries of the WPK Central Committee; Comrade Kong Chin-tae, vice premier of the Administration Council; Comrade Pak Nam-ki, chairman of the Pyongyang Municipal Administrative and Economic Committee; senior officials of party and state organizations, administrative and economic organizations, labor organizations, central organizations, Armed Forces organizations, and public security organizations as well as educational, cultural and artistic, public health, and press and publication sectors; and congratulatory delegates on the anniversary of the WPK's founding. The national anthem was played.

While the music for presenting wreaths was being played, wreaths were laid in the name of the WPK Central Committee, the DPRK Central People's Committee, and the DPRK Administration Council. [passage omitted describing presentation of wreaths of other participants]

Pak Song-chol at Meeting on DCRK Proposal

SK0910061595 Pyongyang KCNA in English 0510 GMT 9 Oct 95

[FBIS Transcribed Text] Pyongyang, October 9 (KCNA) — A meeting of Pyongyangites took place at the People's Palace of Culture on October 8 to commemorate the 15th anniversary of the publication of the proposal for founding the Democratic Confederal Republic of Koryo [DCRK] by the great leader President Kim Il-song.

Attending the meeting were Pak Song-chol, Politburo member of the Central Committee of the Workers' Party of Korea [WPK] and vice- president; Kim Pyong-sik, chairman of the Central Committee of the Korean Social Democratic Party and vice-president; senior WPK and government officials, and working people in the capital. Also present there were the congratulatory group of Koreans in Japan for celebrating the 50th anniversary of the WPK, overseas Koreans and Yi Chong-sang, chief of the Pyongyang mission of the National Democratic Front of South Korea.

President Kim Il-song at the historic Sixth Congress of the WPK in October 1980 put forward the proposal for founding the DCRK and indicated a way of reunification, a new landmark in opening a decisive phase of national reunification.

The proposal gives a comprehensive exposition of all the questions related to the founding of a unified state including the principle and way of building a confederal state, the character and function of the confederal state, duties of a unified government and regional governments and co-relations between them.

Yang Hyong-sop, alternate Politburo member of the WPK Central Committee and chairman of the Supreme People's Assembly, made a report.

He quoted the great leader Comrade Kim Il-song as saying:

"Our party maintains that the country should be reunified by founding a confederal republic through the establishment of a unified national government on the condition that the North and the South recognize and tolerate each other's ideas and social systems, a government in which the two sides are represented on an equal footing and under which they exercise regional autonomy with equal rights and duties."

The reporter said that this is the most just reunification proposal that anyone who loves the country and nation and values the independence of the nation may sympathize with and accept.

He said that the proposal for founding the DCRK is a great reunification charter and the one and only reunification way, which could be laid down only by President Kim Il-song, who made unremitting efforts for national reunification, devoting his whole life to the noble cause for the country and nation.

What is important in achieving national reunification through the realisation of the proposal is to maintain a firm position to reunify the country independently by the efforts of the Korean nation, the reporter said, and continued:

This notwithstanding, the South Korean authorities are now pursuing the policy of dependence on outside forces more undisguisedly than their predecessors did.

The present South Korean ruling quarters, instigated by foreign forces, have totally frozen inter-Korean dialogue, which had been held even under the military dictatorship, on the pretext of the non-existent "nuclear problem of the North". And they are persistently weaving plots against the fellow countrymen, doing harm to the nation, as a shock brigade in the campaign of the imperialist allied forces to stifle the DPRK, crying for what they call "international cooperation system."

The reunification by confederacy formula will be impossible unless the flunkeyist treacheries and anti-reunification, divisive moves of the South Korean rulers are held in check.

In order to achieve national reunification through the realisation of the proposal for founding the DCRK the whole nation should get united, transcending differences in idea, ideal and system.

For the accomplishment of the cause of reunification with the great national unity it is imperative to scrap the "National Security Law [NSL]," an anti-reunification fascist law hindering national reconciliation and unity and laying obstacles in the way of reunification, dismantle the "Agency for National Security Planning," an anti-reunification fascist plot-breeding machine, and frustrate the anti-communist fascist manoeuvrings of the South Korean ruling quarters.

If the South Korean authorities want to resume inter-Korean dialogue before it is too late, they should apologize to all the fellow countrymen for their high treason against the nation and remove all the legal and institutional tools, including the "NSL" barring inter-Korean dialogue.

It is the behest of President Kim Il-song as well as the invariable stand of the WPK and the government of the DPRK to stand true to the three principles of national reunification— independence, peaceful reunification and great national unity— and achieve reunification through confederation based on one nation, one state, two systems and two governments.

The reporter added that the WPK and the government of the DPRK will make every possible effort to the end to carry into practice the proposal for founding the DCRK under the guidance of the great leader Comrade Kim Chong-il, true to the behests of the great leader Comrade Kim Il-song concerning reunification.

Choe Kwang Appointed People's Armed Forces Head

SK0810231795 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 8 Oct 95

[FBIS Translated Text] Appointment of the DPRK minister of People's Armed Forces:

Comrade Choe Kwang has been appointed DPRK minister of People's Armed Forces.

[Signed] Kim Chong-il, chairman of the DPRK National Defense Commission.

[Dated] 8 October, 1995

More on Appointment

SK0910051395 Pyongyang KCNA in English 0423 GMT 9 Oct 95

[FBIS Transcribed Text] Pyongyang, October 9 (KCNA) — The great leader Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea, appointed Choe Kwang minister of the People's Armed Forces of the DPRK on Sunday.

Choe Kwang was working as chief of the general staff of the Korean People's Army before being appointed minister of the People's Armed Forces.

Kim Chong-il Promotes KPA Generals

SK0810233595 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 8 Oct 95

[FBIS Translated Text] Order No. 0065 from the supreme commander of the Korean People's Army [KPA] issued in Pyongyang on 8 October 1995:

On the promotion to higher military ranks of KPA commanding staff:

KPA commanding staff are the core and backbone of our party's revolutionary Armed Forces. They are invariably struggling on the road to uphold and implement with rifles the chuche revolutionary cause, which the great leader Comrade Kim Il-song pioneered and developed throughout his entire life. Since the founding of the People's Army, our party has had firm faith in the commanding staff, who are the core and backbone of the revolutionary Armed Forces, and has warmly led and fostered them as loyalists and dutiful children who would lay down their youth and lives for the party, the leader [suryong], the fatherland, and the people.

Bearing deep in their minds the lofty political life given by our party, the KPA commanding staff bravely fought in the fatherland liberation war against the U.S. imperialist aggressors and their stooges with the revolutionary spirit of Mt. Paektu, achieving an immortal feat that will shine in the nation's history for a long time. They are devotedly struggling with all their wisdom and passion to build up, defend, and adhere to the popular masses-centered our-style of socialism. The feats and achievement of the KPA commanding staff, who shared the destiny of life and death with our party and defended and safeguarded the chuche revolutionary cause with armed forces, are shining in the proud passage of the struggle of the heroic KPA.

On the occasion of the 50th founding anniversary of the heroic Workers Party of Korea, I hereby order the conferment of military titles on the following members:

Kim Ha-kyu, KPA general; Hyon Chol-hae, KPA general; Kim Pyong- yul, KPA general; Chon Ki-yon, KPA colonel general; Yi Myong-su, KPA colonel general; O Kum-chol, KPA colonel general; (Yun Chong-nin), KPA colonel general; (Kim Chi-kwan), KPA colonel general; Kim Hyong- nyong, KPA lieutenant general; (Sin Tong-kyun), KPA lieutenant general; Choe Pu-il, KPA lieutenant general; Yi Chu-ul, KPA lieutenant general; Tang Pyo-yol, KPA major general; and (Yi Kyong-hwan), KPA major general.

[Signed] Kim Chong-il, KPA supreme commander.

More on Promotion

SK0910052695 Pyongyang KCNA in English 0426 GMT 9 Oct 95

[FBIS Transcribed Text] Pyongyang, October 9 (KCNA) — The great leader Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], issued the order No. 0065 to promote the military rank of commanding officers of the Korean People's Army on the occasion of the 50th anniversary of the Workers' Party of Korea [WPK].

According to the order dated October 8, Kim Ha-kyu, Hyon Chol-hae and Kim Pyong-yul were promoted to general of the KPA, five commanding officers to colonel general of the KPA, four to lieutenant general of the KPA and two to major general.

The order says that the commanding officers of the KPA are the hardcore backbone of the Revolutionary Armed Forces of the Workers' Party of Korea, who are invariably and stubbornly fighting to uphold with arms and accomplish the revolutionary cause of chuche, which was started and pushed ahead by the great leader Comrade Kim Il-song all his life.

The proud struggle of the heroic Korean People's Army is replete with the feats and great achievements of the KPA commanding officers, who have shared life and death with the WPK and defended the revolutionary cause of chuche with the Armed Forces at the risk of their lives, says the order.

Choe Kwang, Yi Ul-sol Named KPA Marshals

SK0810232295 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 8 Oct 95

[FBIS Translated Text] Decision to confer the title of Korean People's Army [KPA] marshal:

The title of KPA marshal has been conferred on the following comrades: Comrade Choe Kwang and Comrade Yi Ul-sol.

[Signed] The Central Military Commission of the Workers Party of Korea, the DPRK National Defense Commission.

[Dated] 8 October, 1995.

KCNA Report

SK0910050895 Pyongyang KCNA in English 0421 GMT 9 Oct 95

[FBIS Transcribed Text] Pyongyang, October 9 (KCNA) — The Central Military Commission of the Workers' Party of Korea and the National Defence Commission of the Democratic People's Republic of Korea Sunday made public decisions on awarding the titles of marshal and vice marshal of the Korean People's Army [KPA].

According to the decisions, the titles of KPA marshal were awarded to Choe Kwang and Yi Ul-sol and the titles of KPA vice marshal to Cho Myong-nok, Yi Ha-il and Kim Yong-chun.

Promotion of New KPA Vice Marshals Announced

SK0810232695 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 8 Oct 95

[FBIS Translated Text] Decision to confer the title of Korean People's Army [KPA] vice marshal:

The title of KPA vice marshal has been conferred on the following comrades: 1. Comrade Cho Myong-nok, 2. Comrade Yi Ha-il, 3. Comrade Kim Yong-chun.

[Signed] The Central Military Commission of the Workers Party of Korea, the DPRK National Defense Commission.

[Dated] 8 October, 1995.

Parade, Demonstration Mark Anniversary

SK1010041695 Pyongyang KCNA in English 0408 GMT 10 Oct 95

[FBIS Transcribed Text] Pyongyang, October 10 (KCNA) — A military parade and a demonstration of one million people took place here today in celebration of the 50th anniversary of the founding of the Workers' Party of Korea [WPK].

The parade at Kim Il-song Square in the centre of the capital was participated in by a column of Army flags headed by a flag bearing a portrait of the great leader President Kim Il-song, a column of commanding officers in the period of the anti-Japanese armed struggle, the first generation of the Korean revolution, a column of commanding officers in the period of the fatherland liberation war (1950-1953), columns of students of the Mangyongdae Revolutionary School and the Nampo Revolutionary School, who are growing up to be reliable successors to the revolutionary cause of chuche, columns of commanding officers and cadets of all services and arms of the Korean People's Army [KPA], columns of the Kum Song lifeguard units and guard units and columns of commanding officers of the Korean People's Security Forces and public security men, and columns of worker-peasant red guard and the young red guards, civilian Armed Forces.

The great leader Comrade Kim Chong-il, chairman of the National Defense Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army, appeared on the platform.

The moment, thunderous cheers of hurrah rocked the square, thousands of air balloons soared and hundreds of firecrackers fizzled.

Comrade Kim Chong-il received a report on the beginning of the parade from Minister of the People's Armed Forces Choe Kwang and raised his hand to return a salute to all the paraders.

Prior to the parade and the demonstration, KPA Marshal Choe Kwang, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and minister of the People's Armed Forces, delivered a congratulatory address marking the 50th anniversary of the WPK.

Choe Kwang Speaks at Parade

SK1010042195 Pyongyang KCNA in English 0412 GMT 10 Oct 95

[FBIS Transcribed Text] Pyongyang, October 10 (KCNA) — Our People's Army will sternly punish anyone who infringes on our sovereignty, said Minister of the People's Armed Forces Choe Kwang in his congratulatory address at the grand military parade and mass demonstration held here today to mark the 50th anniversary of the founding of the Workers' Party of Korea.

He said respected Comrade Kim Chong-il, supreme commander, has made tireless, energetic efforts for the strengthening and development of the party and the victory of the socialist cause as a whole with a firm will to accomplish the revolutionary cause of chuche, true to the behests of the great leader Comrade Kim Il-song.

"Our People's Army, united rock-firm in one mind around him and fully prepared to defeat any formidable enemy at one stroke, will sternly punish anyone who infringes on our sovereignty, bring a thousandfold punishment to the aggressors, defend the party and the socialist cause with arms and reunify the country in the '90s without fail," he stressed.

"As long as he leads the party and the Army and the whole party, all the Army and all the people remain united in one mind around the leader, we feel no fear of any formidable enemy and greater victory and glory are in store for our party, Army and people," he declared.

Further on Speech

SK1010043995 Pyongyang KCNA in English 0426 GMT 10 Oct 95

[FBIS Transcribed Text] Pyongyang, October 10 (KCNA) — Marshal of the Korean People's Army [KPA] Choe Kwang, member of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK], vice-chairman of the National Defense Commission of the Democratic People's Republic of Korea, member of the party Central Military Commission and minister of the People's Armed Forces, addressed a military parade and mass demonstration held today marking the 50th anniversary of the WPK founding.

He said the grand parade and demonstration celebrating the 50th anniversary of the WPK demonstrate the firm faith and will of the Korean people and People's Army officers and men to glorify for all ages the immortal revolutionary feats of the great leader Comrade Kim Il-song, who founded the WPK and strengthened and developed it to be an invincible iron-willed party and accomplish the party's cause, the revolutionary cause of chuche, under the wise leadership of the great leader Comrade Kim Chong-il.

Since Comrade Kim Il-song founded our party, our people have had their reliable vanguard, a powerful General Staff, and triumphantly shaped their destiny, and a new history of the revolutionary party in the era of independence started, he said, and continued:

The 50-year-long history of our party is a history of glory in which we have successfully applied the chuche idea and the ideas and theories of chuche-type party building based on it, under the leadership of Comrade Kim Il-song and Comrade Kim Chong-il, and a history of victory in which we have brought about great changes in all life of the nation and the people by vigorously pushing ahead with the revolution and construction in many difficulties and trials.

Our party has strengthened and developed to be a powerful party of chuche type united rock-firm around Comrade Kim Il-song and Comrade Kim Chong-il and a veteran and experienced party which has an invincible leadership ability and enjoys unquestioned trust and love from the masses of the people. And our whole society has become a great revolutionary family in which the leader, the party and the masses are united in one mind.

Our party successfully carried out two stages of social revolution and two rounds of rehabilitation by leading the popular masses and overcoming manifold hardships. It has built socialism centred on the popular masses and glorified it, steadfastly defending the sovereignty of the country and the gains of revolution.

The history of our party and the practical experience of our revolution confirm the precious truth that a party is invincible only when it is led by a great leader and it is in perfect harmony with the masses of the people, and if a party is healthy and powerful, the Army and people are the same and the socialist cause emerges victorious, Choe Kwang said, and went on:

Under the leadership of the party, our revolution has dynamically developed on a higher stage, carrying forward the immortal idea, feats and traditions provided by Comrade Kim Il-song.

Respected Comrade Kim Chong-il, supreme commander, has made tireless efforts for the strengthening and development of the party and the victory of the socialist cause as a whole with a firm will to accomplish the revolutionary cause of chuche, true to the behests of Comrade Kim Il-song.

We, taking as our faith the work "The Workers' Party of Korea Is the Party of the Great Leader Comrade Kim Il-song" published by Comrade Kim Chong-il, must hold Comrade Kim Il-song, the founder of our party and the builder of socialist Korea, in high esteem as the eternal leader of our party and revolution, carry on all the work of the revolution and construction as he planned and intended, following the living example he set and do everything in the way he did.

All the party members, soldiers and people must unite closely around the supreme commander, further strengthen and develop our party to be a party of Comrade Kim Il-song and vigorously promote the revolutionary cause of chuche, faithful to the party's idea and leadership.

Our People's Army will as ever remain unfailingly loyal to Comrade Kim Chong-il, the great leader of our party, state and Army, and fully discharge its duty as the main force for the accomplishment of the revolutionary cause of chuche, carrying forward the tradition of singlehearted unity and loyalty.

Our soldiers will absolutely obey his orders in any adversities and become rifles and bombs to devotedly defend him, our destiny, in the first line of revolution. Our People's Army, which is united rock-firm around him in one mind and fully prepared to defeat any formidable enemy at one stroke, will sternly punish anyone who infringes on our sovereignty if only a little, bring a thousandfold punishment to the aggressors, defend the party and the socialist cause with arms and reunify the country in the '90s without fail.

As long as respected Comrade Kim Chong-il, supreme commander, leads the party and the Army and the whole party, all the Army and the entire people are united in one mind around the leader, we feel no fear of any formidable enemy and greater victory and glory are in store for our party, Army and people, Choe Kwang declared.

Ceremony Marks Completion of Party Monument

SK0910153995 Pyongyang KCNA in English 1532 GMT 9 Oct 95

["Monument to Party Foundation Completed" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 9 (KCNA) — A ceremony for the completion of the monument to party foundation was held here today on the occasion of the 50th anniversary of the Workers' Party of Korea [WPK].

The monument was built in the middle of Munsu Street of Pyongyang. It occupies an area of over 250,000 square metres. It consists of towers of hammer, sickle and brush symbolic of the workers, peasants and intellectuals, the components of the WPK; a circular belt symbolic of the singlehearted unity of the leader, the party and the masses; and the pedestal symbolic of the history of the WPK with the Down-With-Imperialism Union (DIU), which was formed in 1926, as its root.

The height of the monument and the diametre of the circular belt are 50 metres each symoblizing the 50th anniversary of the WPK and the diametre of the pedestal is 70 metres symbolizing the historical period since the formation of the DIU by which the WPK has stricken its root.

It has been successfully built in a year with dynamic endeavours of the members of the party shock-brigade and active support of workers, peasants, soldiers, intellectuals, youths and students across the country.

Present at the completion ceremony were Premier Kang Song-san, Vice-Presidents Yi Chong-ok, Pak Song-chol and Kim Yong-chu, who are members of the Political Bureau of the WPK Central Committee; Vice- President Kim Pyong-sik, who is chairman of the Central Committee of the Korean Social Democratic Party; and other senior party and state officials, delegates celebrating the 50th anniversary of the WPK, officials of the WPK Central Committee, officers and men of the Korean People's Army, builders and citizens.

Also on hand were a congratulatory group of the National Democratic Front of South Korea (NDFSK) led by Kim Song-u to celebrate the 50th anniversary of the WPK, a congratulatory group of Koreans in Japan led by Ho Chong-man, chief vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), to celebrate the 50th anniversary of the WPK and other Chongnyon delegations.

Yi Chong-sang, chief of the Pyongyang mission of the NDFSK and foreign diplomatic envoys here were invited there.

Choe Tae-pok, alternate member of the Political Bureau and secretary of the WPK Central Committee, made an address on the completion.

He said: The great leader Comrade Kim Chong-il inspected the monument which was built imposingly some time ago and expressed deep satisfaction with this and highly appreciated the feats of the builders. The monument is one which can be created only by our party and our people with steadfast faith and indomitable will to carry to completion the cause of the leader who founded the party.

Choe stressed the need to firmly defend and glorify through generations the immortal feats performed by President Kim Il-song in building our party and accomplishing the chuche revolutionary cause, by devoting his whole life.

He noted: All the officials, party members and other working people should firmly unite around Comrade Kim Chong-il, thoroughly implement the revolutionary economic strategy of the party, true to the idea and leadership of the party and the leader, and thus further glorify the advantages of our socialism centred on the popular masses.

Members of the Political Bureau of the WPK Central Committee cut a red cloth before the monument to declare its completion.

Leaders Attend Monument Ceremony

SK1010021595 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 9 Oct 95

[FBIS Translated Excerpt] A splendid ceremony for the completion of the monument to party founding was held on 9 October. This monument is an immortal monument that will glorify the history of the Workers Party of Korea [WPK], the party of the great leader Comrade Kim Il-song. [passage omitted]

Comrade Kang Song-san, member of the Political Bureau of the WPK Central Committee and premier of the Administration Council; Comrades Yi Chong-ok, Pak Song-chol and Kim Yong-chu, members of the Political Bureau of the WPK Central Committee and vice presidents; Vice President Kim Pyong-sik, chairman of the Central Committee of the Korean Social Democratic Party; Comrade Choe Kwang, member of the Political Bureau of the WPK Central Committee and minister of the People's Armed Forces; Comrade Kim Yong-nam, member of the Political Bureau of the WPK Central Committee and vice premier of the Administration Council; Comrades Kye Ung-tae, Chon Pyong-ho, and Han Song-yong, members of the Political Bureau of the WPK Central committee and secretaries of the party Central Committee; Comrade So Yun-sok, member of the Political Bureau of the WPK Central Committee and responsible secretary of the South Pyongan Provincial party Committee and chairman of the South Pyongan Provincial People's Committee; Comrade Kim Chol-man, candidate member of the Political Bureau of the WPK Central Committee; Comrade Choe Tae-pok, candidate member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrades Choe Yong-nim and Hong Song-nam, candidate members of the Political Bureau of the WPK Central committee and vice premiers of the Administration Council; Comrade Yang Hyong-sop, candidate member of the Political Bureau of the WPK Central Committee and chairman of the Supreme People's Assembly; Comrade Hong Sok-hyong, candidate member of the Political Bureau of the WPK Central Committee and chairman of the State Planning Commission; Comrade Yon Hyong-muk, candidate member of the Political Bureau of the WPK Central Committee and responsible secretary of Chagang Provincial party Committee and chairman of the Chagang Provincial People's Committee; Comrade Yi Ul-sol, marshal of the Korean People's Army [KPA]; Comrades Paek Hak-nim, Yi Tu-ik, Kim Kwang-chin, Kim Ik-hyon, Cho Myong-nok, Yi Ha-il, and Kim Yong-chun, vice marshals of the KPA; Comrades Kim Kuk-tae, Hwang Chang-yop, Kim Chung-nin, So Kwan-hui, and Kim Yong-sun, secretaries of the WPK Central Committee; Comrades Kim Pok-sin, Kim Yun-hyok, Chang Chol, and Kong Chin-tae, vice premiers of the Administration Council; Comrade Yun Ki-pok, chairman of the Economic Policy Committee of the Central People's Committee [CPC]; Comrade Pak Nam-ki, chairman of the Pyongyang Municipal Administration and Economic Committee; Comrade Chon Mun-sop, chairman of the CPC State Inspection Committee; congratulatory delegates for the 50th anniversary of the WPK founding; functionaries of the party Central Committee; officers and men of the KPA, builders, and city workers attended the ceremony. [passage omitted]

Kim Chong-il Receives Baskets, Letters

SK0910161095 Pyongyang KCNA in English
1605 GMT 9 Oct 95

["Floral Baskets, Congratulatory Letters to Comrade Kim Chong-il From Foreign Diplomats" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 9 (KCNA) — Floral baskets and congratulatory letters were sent to the great leader Comrade Kim Chong-il by foreign diplomatic envoys and embassies here to mark the 50th anniversary of the founding of the Workers' Party of Korea [WPK].

They were handed to officials concerned by diplomatic envoys of Cuba, Palestine, India, Vietnam, Indonesia, Iran, Egypt, Yugoslavia, Cambodia, Ethiopia, Romania and Syria and the representative of the United Nations Development Program.

Floral baskets and congratulatory letters were sent to him also by military attaches of Peru and Egypt.

Meanwhile, a floral basket was presented to the Central Committee of the WPK by the Chinese Embassy.

Daily Praises Kim Il-song Work on Founding

SK0910103995 Pyongyang KCNA in English
1029 GMT 9 Oct 95

["Highly Important Work That Evolved Chuche-Based Party Building Idea and Theory of President Kim Il-song" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 9 (KCNA) — NODONG SINMUN Sunday [8 October] dedicated a signed article to the 20th anniversary of the publication of the famous work of the great leader President Kim Il-song "On the Occasion of the 30th Anniversary of the Foundation of the Workers' Party of Korea [WPK]."

President Kim Il-song in the report delivered at the commemoration of the 30th WPK anniversary on October 9, 1975, gave a comprehensive exposition of the theoretical and practical questions arising in strengthening the party and enhancing its militant function and role, including those of establishing a firm monolithic ideological system throughout the party and consolidating the party ranks organisationally and ideologically, and of conducting party work strictly by the party method, the political method.

The article says that the significance and vitality of the work are fully demonstrated as the chuche cause of party building and socialist cause develop in depth.

The work has enabled the WPK to strengthen and develop as invincible militant ranks with a singlehearted unity based on the monolithic ideology and leadership and to properly play the role of the vanguard of the working masses.

The WPK regarded it as the basic principle of party building to guarantee monolithic ideology and leadership within itself and established the monolithic ideological system strictly throughout the party, so that it could be strengthened and developed into invincible militant ranks whose members think and act as one under the guidance of the leader.

The WPK has grasped ideology as the main link and built up its ranks with progressive elements among workers, peasants, soldiers and working intellectuals and in particular paid deep attention to maintaining the purity of the cadre ranks, a main factor of qualitative level of the party ranks.

It also introduced the party method, the political method, in party work in keeping with the nature of a working-class party.

The WPK has strengthened and developed into a loyal militant unit whose members are imbued with the chuche idea, the revolutionary idea of the great leader Comrade Kim Il-song, and whose organisations and members act as one under the monolithic guidance of respected Comrade Kim Chong-il.

Victory and glory are in store for the WPK because there are chuche-based party building theory laid down by the great leader Comrade Kim Il-song and the superb guidance of respected Comrade Kim Chong-il, who is carrying forward and applying it in full, adds the article.

Nation in 'Festive Mood' for Anniversary

SK0910152595 Pyongyang KCNA in English
1521 GMT 9 Oct 95

[FBIS Transcribed Text] Pyongyang, October 9 (KCNA) — Korea is now in a festive mood on the eve of the 50th anniversary of the Workers' Party of Korea [WPK].

"Let us greet the 50th anniversary of the Workers' Party of Korea with a high degree of political enthusiasm and brilliant labour feats!" This is one of the calls of the WPK Central Committee published to celebrate the 50th birthday of the party.

In the spirit of this slogan, the Korean working people have made unremitting efforts to greet this significant holiday as a grand festival of victors.

Our people's will to follow the party and the leader with deep trust in them has become more steadfast than ever before, with the October grand festival approaching.

They are renewing their determination to hold the great leader President Kim Il-song in high esteem for all ages as the eternal leader of our party and people, as the sun of chuche, and devote their singlehearted loyalty and filial piety to the great leader Comrade Kim Chong-il, feeling regret and bitter sorrow at the fact that the October grand festival will be celebrated in the absence of President Kim Il-song, the founder of the party.

Carrying this will, relay columns of provincial inhabitants, officers and men of the Korean People's Army and the Korean border guard, public security workers, railway workers, youth, students and pupils and a relay group of the 70 million Koreans in Japan have already arrived in Pyongyang to convey letters of loyalty addressed to Comrade Kim Chong-il.

A national seminar and departmental and provincial symposiums were held to celebrate the 50th WPK anniversary. They were a political festival which demonstrated the invariable faith and will of the Korean people to achieve the final victory of the revolutionary cause of chuche.

Working people across the country have made proud achievements in production and construction, a gift to be presented to the motherly party.

The construction of monument to party foundation, a grand monumental edifice, and Chongnyu Bridge and Kumnung Tunnel No. 2 were completed.

New mines, machine-building factories and many other units have taken their shape one after another.

Preparations for various festival events have been finished in the capital city of Pyongyang.

A grand mass gymnastic display to be performed by tens of thousands of school youth and children in the city has been prepared in a peculiar style to emotionally show the 50-year long history full of victory and glory covered by the WPK under the banner of the chuche idea.

The Party Founding Museum was supplemented with new historical materials and relics and monuments to revolutionary sites were built.

Fascinating grand art performances will be given by artistes in the capital city and local areas.

National book, photo and fine art exhibitions, a ten-day film show and other cultural events are taking place within the framework of the festival.

Pyongyang is in a festive mood.

Streets and buildings of the city are decorated with flags of the party, celebration slogans and arches of flowers.

The delegates to the celebrations of the 50th anniversary of the WPK are now visiting different places of Pyongyang.

Baskets Laid Before Kim Il-song Statue

SK0910155995 Pyongyang KCNA in English 1553 GMT 9 Oct 95

["Floral Baskets Laid Before Statue of President Kim Il-song on 50th WPK Anniversary" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 9 (KCNA) — Working people, People's Army soldiers and youth, students and school children in the city laid baskets of flowers before the statue of the great leader President Kim Il-song on Mansu Hill today on the occasion of the 50th anniversary of the Workers' Party of Korea [WPK].

Placed before the statue was a floral basket sent by the great leader Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army [KPA].

Baskets of flowers were laid in the name of the WPK Central Committee, the DPRK Central People's Committee, the DPRK Administration Council, the delegates to the celebrations of the 50th WPK anniversary, commissions and ministries of the Administration Council, the joint organizations of the Korean Children's Union, public organizations, central state organs, scientific, educational, culture and art and press organs, KPA units, and party and power organs, administrative and economic bodies, industrial establishments and cooperative farms in Pyongyang Municipality.

Floral baskets were laid before the statue also in the name of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), a relay group carrying a letter of loyalty of the 700,000 Koreans in Japan, the members of the European Regional Headquarters of the National

Alliance for the Country's Reunification, Son Won-tae and his wife and other compatriots in different parts of the world, and foreign diplomatic corps and military attaches' corps here.

And working people, People's Army soldiers and youth, students and school children in the city laid bouquets of flowers.

After laying them the participants made a deep bow with reverence for President Kim Il-song who devoted all his life to the strengthening and development of the WPK and happiness of the people.

On the same day, a congratulatory group of the National Democratic Front of South Korea (NDFSK) for celebrating the 50th birthday of the WPK led by Kim Song-u, and chief Yi Chong-sang and members of the NDFSK mission in Pyongyang visited the statue of President Kim Il-song.

They laid floral baskets and made a bow before the statue.

Party members, working people, soldiers, youths and school children throughout the country laid floral baskets and bouquets before statues of President Kim Il-song in their places and bowed to him.

Baskets Laid at Mansu Hill To Mark Anniversary

SK0910123895 Pyongyang Korean Central Broadcasting Network in Korean 0600 GMT 9 Oct 95

[Report on ceremony to lay floral baskets at Kim Il-song's statue on Mansu Hill in Pyongyang on the morning of 9 October — recorded]

[FBIS Translated Excerpt] [Unidentified announcer] Here is Mansu Hill. In a few minutes, senior officials of party and state and of administrative and economic organizations, workers from all sectors, People's Army soldiers, young people and students, overseas compatriots, and foreign guests will present floral baskets to the statue of the great leader on Mansu Hill on the 50th anniversary of the founding of the honorable Workers Party of Korea [WPK]. [passage omitted describing people waiting for the ceremony to begin]

In front of the statue of the great leader Comrade Kim Il-song is a floral basket sent by Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, who is also chairman of the DPRK National Defense Committee and supreme commander of the Korean People's Army [KPA]. KPA flags are placed around the statue of the respected and beloved leader.

Senior officials of party and state organizations, administrative and economic organizations, central organizations, and political parties and public organizations; generals of the KPA and the Korean People's Security Forces; public security workers; officials of scientific, educational, cultural and artistic, public health, and press and publication sectors; workers; and young people and students are present to present floral baskets. Members of various delegations of the General Association of Korean Residents in Japan [Chongnyon], as well as Chongnyon visiting groups and other compatriots from overseas, are present. Diplomatic representatives and embassy officials of various countries to the DPRK and foreign guests are also present.

[Unidentified speaker] We will now present floral baskets to the statue of Comrade Kim Il-song, the great leader of our party and people, on the 50th anniversary of the WPK's founding. [The DPRK national anthem is played]

[Unidentified announcer] Floral baskets are being presented to the statue of Comrade Kim Il-song, the respected and beloved leader, in the name of the WPK Central Committee, the DPRK Central People's Committee, and the Administration Council. The great leader Comrade Kim Il-song will live eternally is written on the ribbons of the floral baskets. [passage omitted describing the emotions of those who presented floral baskets]

Floral baskets are being presented in the name of the diplomatic corps and the military attaches corps stationed in the DPRK, and in the name of the families of those related to the anti-Japanese revolutionary struggle. [passage omitted describing the presentation of floral baskets by the Chongnyon Central Standing Committee, groups of compatriots from overseas, and other organizations as well as the eulogizing of Kim Il-song]

Wreaths, Floral Baskets Mark WPK Anniversary

SK0910160595 Pyongyang KCNA in English 1558 GMT 9 Oct 95

["Wreaths and Floral Baskets Laid on 50th Anniversary of WPK" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 9 (KCNA) — Leading party and government officials, working people, soldiers of the People's Army, youth students and school children on October 9 laid wreaths at the Revolutionary Martyrs Cemetery on Mt. Taesong and the Patriotic Martyrs Cemetery and floral baskets before the monument to the Victory in the Fatherland Liberation War on the occasion of the 50th anniversary of the Workers' Party of Korea [WPK].

Wreaths and a floral basket sent by the great leader Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army [KPA], were placed at the wreath-laying stands of the cemeteries and before "victory", the main theme sculpture of the monument to war victory.

Present at the laying ceremonies were Kang Song-san, Yi Chong-ok, Pak Song-chol, Kim Pyong-sik and other leading party and state officials.

Wreaths and floral baskets were laid in the name of the Central Committee of the WPK, the Central People's Committee and the Administration Council [AC] of the DPRK, all the delegates to the celebrations of the 50th anniversary of the WPK, commissions and ministries of the AC, joint organisations of the Korean Children's Union, public organisations, central state organs, organs of science, education, culture and art and the press, units of the KPA, party and power bodies and administrative and economic organs, industrial establishments and cooperative farms in Pyongyang.

And working people from all walks of life, soldiers of the KPA, youth, students and school children in Pyongyang also laid bunches of flowers.

Daily Exalts 'Soldier of Leader'

SK0910045595 Pyongyang KCNA in English
0420 GMT 9 Oct 95

["Soldier of Leader" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 9 (KCNA) — It is honor to sacrifice oneself for respected general Kim Chong-il. This is the main spirit of our era and the noblest idea of the entire revolutionary soldiers of Korea.

NODONG SINMUN on Sunday stressed this in a political essay headlined "Soldier of the Leader".

It said:

Soldier of the leader—this is the most honorable title for soldiers who share the destiny always with the party and regard it as their first mission or their life to defend the safety and prestige of the leader, the revolutionaries who remain unchanged in any adversity.

Army generals and soldiers, officials and workers, party members and LSWY (the League of Socialist Working Youth) members—all the people in this land think the title of a soldier of the party, a soldier of the leader, is more honorable than their position and occupation, and devote their singlehearted loyalty to the party and the leader. Herein lie the supreme truth of the Korean revolution which has advanced along the ever-victorious road, and the secret of praiseworthy life of our revolutionary soldiers.

Even under any circumstances the revolutionary soldiers can never make revolution nor maintain their existence without the bosom of the party and the leader.

Our great history of 50 years is that of the emotional experience that the one and only destiny of ours is the great leader Comrade Kim Il-song and the great leader Comrade Kim Chong-il.

Let us become rifles and bombs in safeguarding respected Supreme Commander Comrade Kim Chong-il!

The imperialists must have a correct understanding of Korea.

The entire party, people and Army are united as one in mind around respected General Kim Chong-il, with one will to become the rifles and bombs, the class consciousness.

As long as there are the respected general and a great huge army of matchless loyal revolutionary soldiers, the soldiers of the leader who equal a hundred or a thousand foes each, our party will always emerge victorious, our state will be impregnable and our Army and people will be invincible for ever.

Report on 'Joint Editorial' Marking Anniversary

SK1010044895 Pyongyang KCNA in English
0434 GMT 10 Oct 95

[FBIS Transcribed Text] Pyongyang, October 10 (KCNA) — NODONG SINMUN, the organ of the Central Committee of the Workers' Party of Korea [WPK], CHOSON INMINGUN, the newspaper of the Korean People's Army, and NODONG CHONGNYON, the newspaper of youth, in a joint editorial October 10 underscores the greatest exploits performed by the great leader Comrade Kim Chong-il in the building of the WPK.

The joint editorial titled "Let Us Accomplish the Chuche Revolutionary Cause Under the Banner of the Great Party" says that the WPK is the party of the great leader Comrade Kim Il-song.

The greatest exploit of respected Comrade Kim Chong-il is that he has strengthened and developed our party into a chuche-type revolutionary party which is called the leader's party by bringing about a revolutionary change in the organisational and ideological building of the party and in its leadership art, the joint editorial stresses, adding:

Respected Comrade Kim Chong-il is the builder and leader of the chuche-type party who has led our party for more than 30 years.

Actively assisting Comrade Kim Il-song, respected Comrade Kim Chong-il has worked out the lines and policies of the party and guided the party affairs and activities as the top brain of our party.

This joint editorial is dedicated to the 50th anniversary of the foundation of the WPK.

Pointing out that the history of the WPK is precisely the great history of revolutionary activities of respected Comrade Kim Il-song, the editorial says:

In the whole period of party building, Comrade Kim Il-song, looking far into the distant future, has consolidated the organisational and ideological foundation and leadership system of the party to carry to accomplishment the revolutionary cause of chuche.

Notably, he perfectly solved the issue of leadership inheritance which is vital to the future destiny of the party and the revolution, in accordance with the aspirations of the times and the people. This is the great exploit he performed for the party and the revolution, the times and history.

The 50-year-long history of the WPK is all the more glorious because it is adorned with the history of the imperishable guidance of the great leader Comrade Kim Chong-il, who is successfully carrying forward the chuche cause of party building started by Comrade Kim Il-song.

The history of our party was a glorious history in which the lineage of chuche was created by Comrade Kim Il-song. And its future history will shine as a glorious history of Comrade Kim Chong-il's leadership to defend the great lineage and demonstrate its invincible vitality.

The WPK will as ever be the party of Comrade Kim Il-song. The editorial declares. [paragraph as received]

'Joint Editorial' Cited

SK1010053195 Pyongyang KCNA in English 0510 GMT 10 Oct 95

["Let Us Accomplish Chuche Revolutionary Cause Under Banner of Great Party; Joint Editorial of NODONG SINMUN, CHOSON INMINGUN and NODONG CHONGNYON" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 10 (KCNA) — NODONG SINMUN, the organ of the Central Committee of the Workers' Party of Korea [WPK], and newspapers CHOSON INMINGUN and NODONG CHONGNYON October 10 dedicate a joint editorial to the 50th anniversary of the foundation of the WPK.

The editorial says that the foundation of the WPK by the great leader Comrade Kim Il-song 50 years ago was a solemn declaration of the birth of the chuche-type party, the first of its kind in the history of the working-class party building, and a historical milestone for a radical change in the destinies of our people and in the revolutionary struggle.

The 50th anniversary of the WPK is a grand festival of victors to sum up the proud history and undying exploits made by our party for half a century, making a triumphant advance under the guidance of the great leader Comrade Kim Il-song. It is also a powerful demonstration of the invincible faith of our party and people to accomplish the revolutionary cause of chuche, united around the great leader Comrade Kim Chong-il in one mind.

Comrade Kim Chong-il said:

"The Workers' Party of Korea belongs to the great leader Comrade Kim Il-song. It is his great name and exploits that have made our party's 50 years brilliant."

Pointing out that the history of the WPK is precisely the great history of revolutionary activities of respected Comrade Kim Il- song, the editorial says:

Fifty years has passed since our party was founded, but it has a long history of nearly 70 years.

The formation of the Down-With-Imperialism Union (DIU) by Comrade Kim Il-song after he embarked upon the road of the revolution was a starting-point which meant the origin of a chuche-type party building. Since then, he devoted his all to the strengthening and development of the party and to the accomplishment of the cause of chuche till his heart stopped beating.

Comrade Kim Il-song is the pioneer of the cause of chuche-type party building who indicated the unique way of building a revolutionary party in our times under the banner of the chuche idea and translated it into practice.

It was under the leadership of Comrade Kim Il-song that our party has demonstrated its honor as a chuche party which never vacillates.

In a long period of its development, our party has steadily advanced along the road of chuche, not affected by flunkeyism and dogmatism, revisionism and "left" opportunism, bourgeois ideas and social democracy. Herein lies the greatness of our party.

It is a high pride of our party that it has advanced along the straight road indicated only by the idea and line of the leader for nearly 70 years since the historical root of the party began to strike and for half a century since its foundation.

Our party is an invincible party which not only won in the war against imperialism and in an undeclared war of grim confrontation with the enemy but also victoriously led the democratic revolution and socialist revolution and wisely directed the socialist construction and class struggle.

Comrade Kim Il-song is the defender and saviour of our party and a symbol of eternal victory.

In the whole period of leading our party and revolution, he always believed in the people, shared weal and woe with them and devoted his whole life to them.

Even when parties of many countries abandoned their mission to take responsibility for destinies of the people and betrayed their people, our party has brilliantly pursued its politics of love and trust, the benevolent politics.

The history of the WPK is a glorious history during which solid foundations have been laid thanks to the brilliant far-sightedness of Comrade Kim Il-song.

In the whole period of party building, he, looking far into the distant future, consolidated the organisational and ideological foundation and leadership system of the party for carrying to accomplishment the revolutionary cause of chuche.

The chuche idea, the eternal guiding idea of our party, was founded by Comrade Kim Il-song and the singlehearted unity, the banner of the invincibility of our party, was achieved by him through an arduous struggle. The lineage of chuche, an eternal treasure of our party, was also created by him all his life. Notably, he perfectly solved the problem of leadership inheritance which is vital to the future destiny of the party and the revolution in conformity with the aspirations of the times and the people. This is the greatest exploit he performed for the party and the revolution, the times and history.

As there is the solid foundation which was laid by Comrade Kim Il-song, our party has not vacillated but become a hundred-fold, a thousand-fold stronger even after he passed away.

The 50-year-long history of the WPK is all the more glorious because it is adorned with the history of the imperishable guidance of the great leader Comrade Kim Chong-il, who is successfully carrying forward the chuche cause of party building started by Comrade Kim Il-song.

Respected Comrade Kim Chong-il is the builder and leader of the chuche-type party, who has led it for more than 30 years. Actively assisting Comrade Kim Il-song, Comrade Kim Chong-il worked out the lines and policies of the party and guided the party affairs and activities as the top brain of the party.

The past 30 years during which the party has been strengthened and developed through the harmonious whole of the leader, who founded the party, and his successor, who is faithful to his cause, was a significant period when the party building and the revolutionary struggle were conducted in the most ideal way in the history of our party. In this period, the programme of modelling the whole party on the chuche idea was raised by the great leader Comrade Kim Chong-il and was comprehensively realised, with the result that a heyday of our party building has been ushered in.

The greatest exploit of respected Comrade Kim Chong-il is that he has strengthened and developed our party into a chuche-type revolutionary party which is called the leader's party by bringing about a revolutionary change in the organizational and ideological building of the party and in its leadership art.

Today, our party is an invincible revolutionary party with all features as the party of Comrade Kim Il-song.

The eternal vitality of the Workers' Party of Korea lies in the fact that it is prepared to serve its leaders faithfully and glorify their exploits no matter how much water may flow under the bridge and no matter how the world may change.

The only idea of our party is the revolutionary idea of Comrade Kim Il-song and the spirit of our party is the revolutionary spirit of Mt. Paektu created by him and the leadership method of our party is the leader's work method.

The WPK is a reliable vanguard of the international communist movement which is demonstrating its honor for the high international prestige of Comrade Kim Il-song.

Comrade Kim Il-song is the sun of chuche, an outstanding leader of the international communist movement and an elder of the world politics, who indicated the road ahead of humankind with the chuche idea.

The high authority and honor of our party is being highly demonstrated thanks to Comrade Kim Chong-il, the great leader of socialism in the present times.

To have a powerful WPK is the glory of chuche Korea, the pride of the Kim Il-song nation and the honor of the revolutionary people.

The WPK, which has traversed a long and glorious road, is now entering a new stage of development.

At this great historical turning-point, Comrade Kim Chong-il published the work "the Workers' Party of Korea is the party of the great leader Comrade Kim Il-song" to brightly indicate the road of our party building and the accomplishment of the cause of chuche.

His work is a summing up of the glorious history of our party, which has triumphantly advanced with Comrade Kim Il-song as the head of the party, a militant banner which makes it possible to resolutely keep to the revolutionary character of the WPK as the party of Comrade Kim Il-song and enhance its function and role in every way and an immortal encyclopedia which clearly indicates how to build a revolutionary party in our time.

The bright future of our party and a true way of accomplishing the revolutionary cause of chuche lie in realising the idea and leadership of Comrade Kim Chong-il in a comprehensive way.

The history of our party was a glorious period during which the lineage of chuche was created by Comrade Kim Il-song. Its future history will shine as a history of immortal leadership of Comrade Kim Chong-il, who is defending its great lineage and demonstrating its invincible vitality.

It is the general task of our party building and our consistent line of party building to consolidate and develop the WPK as the party of Comrade Kim Il-song for ever.

We should hold Comrade Kim Il-song in high esteem as the eternal leader of our party and people with the unshakable faith that he will always be with us.

We should carry on all the affairs of the revolution and construction as Comrade Kim Il-song planned, intended and taught with his practical examples and should do everything as he did. This is the way of strengthening and developing our party as the party of Comrade Kim Il-song.

The chuche idea, the revolutionary idea of Comrade Kim Il-song, is the only guiding idea of our party and the banner of victory for our party and revolution. We should keep tight hold on the revolutionary idea of Comrade Kim Il-song as the eternal guiding idea and theory of our party and hold it as the motto in our life and struggle and as the spirit of the nation.

To uphold the idea and leadership of supreme commander Comrade Kim Chong-il is a decisive guarantee for glorifying our party as the party of Comrade Kim Il-song forever and accomplishing the revolutionary cause of chuche.

Comrade Kim Chong-il is an outstanding thinker and theoretician, a great statesman and an ever-victorious iron-willed brilliant commander who is leading our party and people and the revolutionary Armed Forces to victory.

Comrade Kim Chong-il, who is the same with Comrade Kim Il-song in ideology and leadership, virtue and trait, is highly praised as the leader of Comrade Kim Il-song style.

We will always win because we are guided by Comrade Kim Chong-il. We should bear deep in mind our honor of being blessed with leaders through generations and remain boundlessly loyal to the idea and leadership of the great Comrade Kim Chong-il.

The entire party and people should unite and unite around Comrade Kim Chong-il.

It is the firm determination of respected supreme commander Comrade Kim Chong-il to accomplish our revolutionary cause on the strength of the singlehearted unity of the party and the army.

The greatest mission of the revolutionary army is to defend the top brain of the revolution. All the officers and men of the people's army should hold tightly the guns of justice provided by our party and fully prepare themselves to be revolutionary soldiers decisively defending the party Central Committee headed by Comrade Kim Chong-il, respected supreme commander.

All the officers and men of the People's Army should defend our territory, airspace and territorial waters like an impregnable fortress from the imperialist moves of aggression.

National reunification is the greatest task of our party and an urgent supreme task of the nation, which brooks no further delay.

We should achieve the cause of national reunification by our own efforts.

The three principles of national reunification and the ten-point programme of the great unity of the whole nation, which were advanced by Comrade Kim Il-song, are genuine patriotic banner and the most reasonable and fair, common programme for national reunification. All the fellow countrymen in the North, the South and overseas should turn out as one in the nationwide struggle to put our party's proposal for reunification through confederacy into practice and thus overthrow the splittist forces at home and abroad and achieve the national reunification at any cost.

To intensify the solidarity with the international revolutionary forces is a consistent policy of our party.

Our party will uphold the noble intention of Comrade Kim Il-song, who devoted his whole life to global independence, firmly unite with the peoples of all countries who are advocating independence and actively strive to build a free and peaceful, friendly new world without domination and subjugation.

The WPK will be the party of Comrade Kim Il-song forever.

Our party and people will faithfully inherit and develop the idea and exploits of Comrade Kim Il-song and accomplish his cause through generations, closely united around the party Central Committee headed by Comrade Kim Chong-il.

First Batch of Relief Goods Arrives in North

SK0810091895 Pyongyang KCNA in English
0909 GMT 8 Oct 95

[FBIS Transcribed Text] Pyongyang, October 8 (KCNA) — Relief goods from different countries have arrived in the Democratic People's Republic of Korea hit by floods.

The first batch of relief goods (ten tons of powdered milk for children) delivered by the German Government arrived in Nampho port on Friday.

Earlier, on September 28, Russian planes arrived in Yongyang carrying 20 tons of rice, 1.5 tons of medicines and 3,000 blankets sent by the Russian Government.

A delegation of Doctor Without Frontier came here with a large quantity of medicines on October 5.

The relief goods will shortly be supplied to flood sufferers and the doctors will begin their service soon.

South Korea

Government To Abrogate Missile Pact With U.S.

SK0910063295 Seoul TONG-A ILBO in Korean
9 Oct 95 p 1

[FBIS Translated Text] According to a Foreign Ministry official on 8 October, the ROK Government has decided to abrogate the ROK- U.S. Missile Memorandum of Agreement which bans the development of missiles with a range of more than 180 km. Instead, it will actively push ahead with its entry into the Missile Technology Control Regime [MTCR] which bans the export of missiles with more than a 300-km range.

The ROK's development of missiles with a range of more than 180 km has been prohibited until now under the ROK-U.S. Missile Memorandum of Agreement which was signed in 1982. In the event the ROK abrogates the memorandum and joins the MTCR instead, the ROK will be able to develop and export mid-range missiles with less than a 300-km range.

The MTCR is an agreement among the seven nations that was signed under the initiative of the United States to control the development of strategic missiles. The United States has advised the ROK to join in the agreement.

However, the government has turned down such requests, stating that its entry is unnecessary since the development and export of missiles with a range of over 180 km is prohibited in the ROK under the memorandum.

The background to the government's turnabout lies in the fact that North Korea has recently successfully test fired a Nodong No. 1 missile with a range of 1,000 km and is currently bent on developing Nodong No. 2 missiles with a range of 2,000 km and Taepodong 1 and 2 missiles with a range of over 5,000 km.

Accordingly, the government will deliver our stance to the U.S. side at working-level negotiations which will be held in this month prior to the ROK-U.S. Annual Security Consultative Meeting slated to be held in early November.

Koreans Allegedly Bitten by U.S. Military Dog

SK0710055295 Seoul KBS-1 Radio Network
in Korean 0310 GMT 7 Oct 95

[FBIS Translated Text] Koreans chasing an American soldier who was fleeing into his unit in Tongduchon after a quarrel last night, were bitten and injured by a military dog released by U.S. Military Police. Reporter Choe Song-min reports.

[Begin Choe Song-min recording] At around 1100 [1300 GMT] last night, Kim Chong-yong, 42; Kim Kunpae, 31; and Hwang Kyong-sin, 30, who are residents in Pusan-tong, Tongduchon, Kyonggi Province, were chasing an American soldier who fled after assaulting them in front of the main gate of the U.S. 2nd Division. In the course of these events, they were bitten by a military dog released by Corporal (Richard Jable), who is a member of the MP unit in the U.S. 2nd Division. The injuries resulting from the dogbite will require medical treatment for two to three weeks for complete recovery.

Mr. Kim said that he and his colleagues, who are members of the business promotion club of stores in front of the U.S. military unit, were posting a placard protesting the step of the U.S. military authorities to shorten the time of U.S. soldiers' outings at the Yongjong bus station across the road from the U.S.

military unit. In the course of these events, a quarrel flared up between them and Private First Class [PFC] (Marbex Stox) of the Engineer Unit of the U.S. 2nd Division. PFC (Stox) used abusive language and beat Mr. Kim, who was protesting, on the face. PFC (Stox) then fled inside the base.

Mr. Kim added that as they chased PFC (Stox), Corporal (Jable), who was on duty at the main gate, released a military dog he was holding, and let the dog bite them.

The police, who came to the site after receiving the report from the residents, demanded custody [kugum] of the two relevant U.S. soldiers for an investigation of the background of the incident. However, it was learned that the U.S. military authorities placed only PFC (Stox) under custody.

U.S. military authorities said that as for Corporal (Jable), his act is regarded as just one taken to check the Koreans, because they were attempting to enter the unit. Therefore, U.S. military authorities refused to comply with the request for custody.

U.S. military authorities also noted that Corporal (Jable) merely relaxed the 2 meter-long rope which tied up the dog and did not untie it completely to enable it to bite someone.

To this, however, Kim and his colleagues said that while they were quarelling with three MPs in an attempt to enter into the unit, an American soldier who was holding a military dog untied the rope and, using his finger, directed the dog to bite them. [end recording]

Ministry Regrets Incident

SK0810095695 Seoul YONHAP in English
0944 GMT 8 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 8 (YONHAP) — The Ministry of Foreign Affairs Sunday issued a statement to express regret over the injuries American military dogs inflicted on a few Koreans last Friday over a scuffle involving the Koreans and American servicemen at a U.S. military unit in Tongduchon.

The ministry asked the American Embassy here to cooperate fully for swift and correct investigation of the case while expressing the ministry's concern about the incident, the statement said.

Jurisdiction Over U.S. Soldiers Usually Waived

SK0810021995 Seoul MUNHWA ILBO in Korean
7 Oct 95 p 2

[FBIS Translated Text] A total of 2,476 crimes were committed by U.S. soldiers stationed in the ROK from 1992 to August 1995, and the ROK exercised its jurisdiction over merely 67 cases, 2.7 percent of the total crimes.

According to a report submitted by the Ministry of Justice to lawmaker Cho Hong-kyu of the National Council for New Politics, a member of the National Assembly Legislation-Judiciary Committee, during parliamentary inspections on 7 October, U.S. soldiers in the ROK committed 642 crimes in 1992, 624 crimes in 1993, and 710 crimes in 1994. They have committed 499 crimes from the beginning of this year until the end of August. This shows the number of U.S. soldiers' crimes has ever been increasing.

It has been revealed, however, that the ROK failed to exercise its jurisdiction over 2,372 cases among the total crimes committed by U.S. soldiers, which account for 95.7 percent of the total cases.

Crimes involving U.S. soldiers in the ROK are generally classified into the following major two types: violations of the Road Traffic Law (1,319 cases) and violations of the Law on Punishment of Violent Acts (496 cases).

Ministry Reveals 'Team Spirit' Exercise Canceled

SK0810143295 Seoul KBS-1 Radio Network
in Korean 1410 GMT 8 Oct 95

[FBIS Translated Text] As it was last year, the Team Spirit exercise will be not conducted this year either. In the white paper for 1995-1996 recently released by the Ministry of National Defense, it has clearly stated that in order to resolve the North Korean nuclear issue and improve North-South relations, it would not conduct the Team Spirit exercise this year. The Team Spirit exercise, the ROK-U.S. massive joint military exercise which was first held in 1976, will not be conducted this year either. Therefore, the Team Spirit exercise has been suspended two years in a row for the first time.

Ministry-Army Discord, Reliance on U.S. Viewed

SK0810062595 Seoul MUNHWA ILBO in Korean
6 Oct 95 p 25

[Article by Pak Kwang-su: "Discord Between the Ministry of National Defense and the Army"]

[FBIS Translated Text] Almost 50 years have passed since the ROK Army was founded. Military experts have stated, however, that the Army is neither trusted nor loved by the people right now because it has failed to demonstrate the ability to appropriately dispel the discord between military officials, as well as the conflict between the Army and people.

First of all, the discord between military officials — which has been recently and fully disclosed to everyone

— originates from the argument between high-ranking military officials based on their academic backgrounds and past personal records. The relevant military officials have unanimously pointed out that the background of Defense Minister Yi Yang-ho, a reserve Air Force general, who served as the Chief of the General Staff of the Air Force and as the Chief of the Joint Staffs, also causes discord between the Ministry of National Defense and the Army and between the Army and Air Force.

Because the general, who came from the Air Force, which is "a powerless organization," assumed the position of supreme leader of the national defense, the Army — which has maintained absolute power for almost 20 years throughout the third, fifth, and sixth Republic — is disgruntled with the Ministry of National Defense. Also, the Navy and Air Force, which had no choice but to be the weak organizations in the past, are disgruntled with the Army's behavior.

The policy recently released by the Army Headquarters indicating that "the Army will give priority to field grade officers over military officers who are working at the planning and policy sections of the Army — including the Ministry of National Defense — in the promotional panel" can be regarded as an example of discord between high-ranking military officials. The Chief of the General Staff of the Army has the right of personnel management in transferring field-grade officers, but he must obtain the defense minister's informal consent in advance when he takes personnel action against those who work in the Ministry of National Defense, because they are the staffs for the defense minister. Nevertheless, the Army Headquarters has ignored this principle.

A major general whose initial is C, a member of Hanahoe, who was in the van of the 21st class of the Korean Military Academy, was discharged from the Army at the end of June as a result of his remarks against the government made immediately after the civilian- led government emerged. The rumors that at a time when he was discharged from the Army, the Army reserve generals met somewhere in Seoul and denounced the defense minister — who failed to play a shield role in protecting generals — as well as the present government for appointing the Air Force general to the post of the Ministry of National Defense are rampant within military circles.

In April the Army unilaterally announced plans to extend the service period of the ROTC officers, as well as improve the military welfare system for the sergeants without coordinating with the Ministry of National Defense. However, as negative reactions to the Army's decision arose both inside and outside the Army, it has hastily canceled it. A large number of military experts regard this as discord between the Ministry of National Defense and the Army. Also, there are rumors that in April, when a relevant high-ranking Army official came to the Ministry of National Defense to obtain personnel approval from the defense minister for transferring generals to the posts of commanders of the divisions and corps, he directly visited the office of General Kim Tong-chin, chief of the Joint Staffs, to discuss the issue in advance before going to the defense minister's office on the second floor of the building. This can be also regarded as an example of discord between the Army and the Ministry of National Defense.

However, because of his past experience as the commander of the riot army unit during the 18 May Kwangju struggle for democracy, Chief of the Joint Staffs Kim Tong-chin, "an idol of the Army," has been recently pressured to resign from his post during the parliamentary interrogation session, being detested by military circles and the people.

Thus, the discord among the top military leaders has resulted in distrust of the leading quarters by the lower echelons, in relaxed military discipline, and in failure to abide by orders coming through the chain of command, thus causing various incidents and accidents. Last year, primary-level officers from the Military Academy and Reserve Officers Training Corps [ROTC], who are regarded as the elite of the military, deserted from their units. Following this incident there have been other incidents: a bank was robbed by an army officer who was attending the Law College of Seoul National University as a trustee; an enlisted man shot his platoon leader and company commander to death, being impatient with the repressive commanding method of his superior; etc. These incidents occurred one after another, shocking the people.

Whenever such incidents occurred, the military authorities kicked off commotions, such as forming a committee to intensify military discipline and revealing plans for reforming the military. Nevertheless, accidents and incidents ceaselessly broke out this year, too. One such incident was a suicide committed on 1 October, the ROK Armed Forces Day, by an officer from the ROTC serving in a certain Army unit in Inje, Kangwon Province, who was immensely troubled in mind by the act of his subordinates revolting against seniors.

Such problems within the military have caused it to lose professional soldiers, and have worked to weaken our combat power vis-a-vis North Korea. As pointed out during the recent parliamentary inspection of state affairs by the National Assembly, 725 officer and 529 enlisted positions on the ROK Navy's organizational chart are vacant. In addition, 97 percent of 8,900 enlisted men in the Navy resigned from active duty during the past four years from 1991 to 1994, prompted by a skeptical view of military life. This clearly shows a serious shortage of military manpower.

The external factors shaking the military are not one or two, but many. However, one of the problems, the solution of which is not foreseen within the near future, is the degree of reliance of the ROK's defense power on the United States. It is an established theory in military science that the appropriate level of defense power with which one can defend against an enemy attack is with 70 percent of the enemy's offensive forces. However, the defensive forces in our country, including even the U.S. Forces in Korea, are only 70 percent of the North Korean Armed Forces.

This being the case, as far as the issue of national defense is concerned, our nation cannot but be subordinate to the United States. And even if the ROK makes efforts to raise the level of its defense industry, which is still at about the level of a semi-developed country, onto a higher stage, the ROK cannot achieve this goal because of various restrictions specified in agreements and memorandums signed between the ROK and the United States. Thus, experts in military affairs have pointed out that "despite a number of problems facing the military, the ROK has no other choice but to consent to the present situation."

YONHAP Correction to U.S. Flights in North

SK1010095195 Seoul YONHAP in English 5927 GMT 10 Oct 95

[Corrected version of SK1010030395, as supplied by YONHAP; explanatory notes describe differences from original FBIS version]

[FBIS Transcribed Text] Seoul, Oct. 10 (YONHAP) — North Korea has agreed to allow several U.S. passenger airlines to pass through its Pyongyang flight information region (FIR) [initial FBIS version read "territorial air space"] on their way to Seoul, without any prior consultations with South Korea, the Construction and Transportation Ministry said Tuesday.

The ministry received notification from Delta Airlines, Inc. and Northwest Airlines last Thursday that North Korea agreed to allow their passage through its Pyongyang flight information region [initial FBIS version read "air space"] and that on Sept. 29 it provided them with its Pyongyang flight information region to Seoul.

The U.S. airline companies had previously asked North Korea to allow them to change their Portland-Japan-Seoul route to the Portland-Vladivostok-Pyongyang FIR-Seoul route.

Last Friday, Delta and Northwest asked the ministry to allow test flights on the route, but the ministry did not permit the tests citing international flight regulations.

The ministry said that according to International Civil Aviation Organization (ICAO) rules, if an airplane is to pass through the airspace of two countries, a letter of agreement on flight controls should first be signed between the two nations.

Special Inspections Sought in LWR Pact

SK0910070295 Seoul HANGUK ILBO in Korean 9 Oct 95 p 1

[Report by Ko Tae-song]

[FBIS Translated Text] It was learned on 8 October that the ROK and the United States, which are continuing negotiations with North Korea over conclusion of the agreement on the provision of light-water reactors through the Korean Peninsula Energy Development Organization [KEDO], have finalized a policy to specify in the agreement that special inspections be made of unregistered facilities in North Korea.

According to this policy, the two nations during the experts' talks between North Korea and KEDO still being held in New York and high-level talks slated for 16 October, will strongly demand that the North Korean side accept special inspections and allow this to be specified in the agreement.

A diplomatic official in Seoul said that "the support for light- water reactors to North Korea is primarily intended to secure North Korea's nuclear transparency in the past, present and future, through special inspections and the like. This being the case, both the ROK and the United States intend to carry to accomplishment the issue of specifying special inspections in the agreement according to the spirit of the ROK-U.S. Geneva agreement." This official also pointed out that "North Korea, again launching threats on lifting its nuclear freeze, is attempting to drive the focus of negotiations onto discussions of the provision of additional facilities and payment conditions. Besides, North Korea has revealed its desire to gain maximum concessions by again making an issue of acceptance of special inspections, which it had already promised to allow."

The ROK and the United States will designate the end of 1998 or the early part of 1999, when major parts of light-water reactors are supplied, as the time for special inspections. They will also specify the timing for dissolving graphite moderated reactors, which are presently in a state of freeze.

However, regarding this demand, North Korea has claimed that it has not agreed to expressly specify acceptance of special inspections. Thus, North Korea maintains the position that the special inspection issue is something that should be discussed between North Korea and the United States in separate negotiations.

U.S. Bean Said to Contain 'Fatal' Chemical

SK1010123795 Seoul KBS-1 Radio Network in Korean 0700 GMT 10 Oct 95

[Report from KBS Chonju General Bureau]

[FBIS Translated Text] Imported beans from the United States were found to have contained fatal agricultural chemicals eight times greater than permissible standards. According to an ingredients test on imported beans conducted by the North Cholla Province Public Health and Environment Office at the request of the Chonju Municipal Government, 1.6 mg of (cabendazim) were detected. The permissible standard is 0.2 mg per one kilogram of bean.

(Cabendazim), a kind of agricultural chemical, is known to be a highly fatal chemical according to tests on mice. The bean in question was imported from the United States by the Agricultural and Fishery Products Distribution Corporation. The test results testify to the loose quarantine on imported beans.

The Chonju Municipal Government has decided to retrieve and dispose of the imported beans in its inventory.

Imports of U.S. Beef Increasing Rapidly

SK0710022395 Seoul THE KOREA TIMES in English 7 Oct 95 p 8

[FBIS Transcribed Text] The increase in American beef here is the highest in the world with the volume for the first half of this year soaring to 47,785 tons, up 42 percent over the corresponding period of last year.

According to a report by the Korean branch of the U.S. Meat Exporters Association yesterday, the value of American beef imports also increased by a steep 35 percent to 148 million dollars.

The rate of increase was far higher than the 16 percent for Japan and 8 percent for Canada, association officials said.

With the hefty rate of increase, Korea is now the third largest importer of American beef after Japan and Canada, accounting for 11.3 percent of total American exports, they added.

In the first six months of this year, Japan imported a total of 212,217 tons of American beef while Canada took in 53,039 tons, association statistics showed.

The officials said the total exports of beef from the United States reached 422,055 tons worth 1.5 billion dollars in the first six months of this year, up 14 percent over the same period of last year.

The import of American pork, in the meantime, has also been increasing at an explosive rate, with the total volume reaching 12,011 tons in the first half of this year for an increase of 611 percent.

The rate of increase was only next to Russia. Other countries like Japan posted only double-digit growth while imports to Mexico actually fell 42 percent, the officials explained.

They forecast that at the current rate, Korea will emerge as a top importer of American beef and pork by the year 2001 when total imports will total 630 million dollars.

German Lawmaker on North's Power Succession

SK1010073095 Seoul CHOSON ILBO in Korean 10 Oct 95 p 5

[Report by Ku Song-chae]

[FBIS Translated Text] Peter Ramzawer [name as published], a member of the German Parliament (41, Christian Social Union) who recently visited North Korea, on 9 October stated that in regard to the issue of Kim Chong-il's succession to power, he heard from Hwang Chang-yop, chairman of the Foreign Affairs Committee of North Korea's Supreme People's Assembly that "the party Central Committee has made no decision on this." However, he quoted Hwang as saying that "there is no doubt about the fact that Kim Chong-il is the leader."

Assemblyman Ramzawer, who toured Pyongyang and the southern region of Pyongyang, including Nampo, from 12 to 16 September, held a news conference at the Seoul chapter of the German Chamber of Commerce and Industry on 9 October. At the news conference, he said: "During my visit to North Korea, I met with Vice President Yi Chong-ok; Hwang Chang-yop; Foreign Minister Kim Yong-nam; Kim Chong- u, vice chairman of the External Economy Committee; and General Pak Kwang-won, vice chairman of the North-South Joint Nuclear Control Committee. In meetings with them, I could feel their desire to advance to world markets."

He said that "in particular, Kim Chong-u is trying to induce South Korean business firms to Najin-Sonbong area. He asked me to request the ROK Government lift the ban of limiting the amount of investments in North Korea under $5 million."

Ramzawer added that although North Korea has the will for opening up, it is experiencing great difficulties due to its foreign currency shortage.

Regarding North Korea's flood damage, he said: "In the southern region of Pyongyang where I visited, I could find the traces of flood damage on some roads. But I thought the damages were not so serious. While staying in Pyongyang, I met an American who came there as a member of the UN flood damage inspection team. He told me that he never saw anybody who was starved to death as a result of flood damage."

Japan's Foreign Ministry on Possible Inauguration

SK1010003995 Seoul KBS-1 Radio Network in Korean 0005 GMT 10 Oct 95

[Report by correspondent Yi Il-hwa from Tokyo]

[FBIS Translated Text] The Japanese Foreign Ministry has stated that it is the majority's view that although North Korea today marks the 50th anniversary of the founding of the Workers Party, Kim Chong-il will not assume the post of general secretary or of president of the state.

A source in the Japanese Foreign Ministry said that in view of the fact that North Korea has not invited important officials from its friendly nations, including China, and that its economic situation has worsened, it is not an appropriate time for Kim Chong- il to be inaugurated as president of the state.

A high-ranking official in the Japanese Foreign Ministry stated that there is no information indicating that Kim Chong-il will assume the post of general secretary or of president of the state. However, the fact that Kim Chong-il has seized the supreme power cannot be denied.

PRC Notified of Possible Inauguration

SK0910133395 Seoul KBS-1 Radio Network in Korean 1300 GMT 9 Oct 95

[ITAR-TASS, YONHAP report from Beijing]

[FBIS Translated Text] Sources in Beijing conveyed today the possibility that North Korea's Kim Chong-il may be inaugurated as general secretary of the party Central Committee tomorrow, the 50th anniversary of the founding of North Korea's Workers Party.

Sources report that North Korea notified PRC President Jiang Zemin in advance about Kim Chong-il's inauguration as general secretary, and that security is being strengthened prior to his inauguration to the post of general secretary.

It was also learned that in this connection, North Korea has prohibited foreigners from entering North Korea, and even took the measure of having foreigners living in North Korea leave the country.

Kim Chong-il Said To Be Named Generalissimo

SK0910054195 Seoul YONHAP in English 0502 GMT 9 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 9 (YONHAP) — North Korea's de facto leader Kim Chong-il will soon be promoted to the rank of generalissimo, before formally becoming president of the state and general-secretary of the party, consolidating his position as supreme commander of the communist country's armed forces, a government official here said Monday.

The promotion of newly-appointed People's Armed Forces Minister Choe Kwang and Yi Ul-sol to the rank of marshal on Sunday could be interpreted as the North preparing for Kim Chong-il's ascension to the rank of generalissimo, he remarked.

With Choe and Yi now marshals, North Korea's armed forces have three marshals — Kim Chong-il, Choe and Yi, with Kim soon expected to become generalissimo, as his deceased father Kim Il-song was, he added.

In view of the unusual announcement on Sunday of the military promotions, Kim's raise in rank to generalissimo is expected to be announced on Tuesday, the 50th anniversary of the Workers' (communist) Party's founding, he added.

Noting that Choe, a former member of the anti-Japanese guerilla force led by Kim Il-song, became the new minister of the People's Armed Forces, surpassing his rival O Kuk-yol, who has studied in Soviet Union as an air force officer, for the position, the official said, predicting that North Korea's military strategy toward South Korea would not change much under Choe's leadership.

North Said To Ban Foreigners' Visits

SK0810021895 Seoul KYONGHYANG SINMUN in Korean 8 Oct 95 p 1

[Report by Yi Sung-chol]

[FBIS Translated Text] It has been learned that North Korea is banning visits by foreigners' to North Korea from 1 to 20 October, before and after the 50th anniversary of its party founding.

A diplomatic source in Seoul on 7 October revealed that "a delegation of the German Government recently requested a visit to North Korea to investigate flood damage there. However, North Korea responded that it has banned visits by foreigners because of the events to mark the anniversary of the party's founding."

Government Not To Allow Businessmen's Visit

SK0710133095 Seoul KBS-1 Radio Network in Korean 1300 GMT 7 Oct 95

[FBIS Translated Text] The plan for a group of ROK businessmen to visit North Korea has been frustrated. Today, the National Unification Ministry decided not to allow the planned visit to Najin-Sonbong area in North Korea by the 60-member group of ROK businessmen, and informed the Korean Traders Association, which has promoted our businessmen's visit to North Korea, of its decision.

In this regard, a National Unification Ministry official stated: The ministry has made the decision because North Korea is delaying the return of the Usong-ho crewmen and showing a passive attitude toward improving relations between South and North Korea.

North Economy Continued To Shrink in 1995

SK0810023295 Seoul CHOSON ILBO in Korean 8 Oct 95 p 2

[Report by Kim Yon-kwang]

[FBIS Translated Text] The National Unification Board [NUB] on 7 October revealed that the North Korean economy suffered negative growth during the first half of this year, including overall curtailment of production industries, due to depressed energy and raw material production.

According to "the trends of the North Korean economy during the first half year of 1995" announced by the NUB that day, North Korea's external trade during the first half-year period in 1995 indicates that its exports declined drastically, totalling only $250 million, a large decrease from the $360 million in the same period last year. Meanwhile, North Korea's imports have increased to $680 million from $630 million. The scale of trade between North and South Korea was $165 million, showing a twofold increase from the $82 million total during the same period last year. The number of major construction projects completed by North Korea during the first half year was 14 in total, showing a further decrease even from the 19 cases of projects completed during the same period of the previous year when construction projects were in an extreme state of stagnation.

North's Economic Dependence Said To Increase

SK0910081395 Seoul KYONGHYANG SINMUN in Korean 9 Oct 95 p 6

[Article by reporter Kang Song-po: "North Korea's Economic Dependence on the ROK Is Increasing"]

[FBIS Translated Text] Whereas North Korea's foreign trade is decreasing, its inter-Korean trade is rapidly increasing, representing an increase in North Korea's economic dependence on the ROK.

As disclosed by the National Unification Board [NUB] on 8 October, according to North Korean economic trends for the first half of this year, North Korean trade for the first six months of this year was calculated tentatively at $930 million, a 6.1 percent decrease over the same period last year.

Inter-Korean trade during the same period (based on customs clearance statistics) totalled $165 million, twice the $82 million reported for the same period last year.

Therefore, the share of inter-Korean trade in North Korea's foreign trade, and the total trade value including inter-Korean trade ($1.95 billion for the first half of this year), increased from 7 percent last year to 15 percent this year.

Despite the political stalemate in inter-Korean relations, North Korean imports and exports during the first half of this year, which is a leading composite index of trade value, totalled $173 million, accounting for an increase of 86.6 percent over the $92.6 million reported for the same period last year.

A NUB official stated: Even taking into account the fact that North Korea's economy is self-reliant rather than trade-reliant, the statistics mean North Korea's economic dependence on the ROK is increasing considerably.

The steady decline in North Korean trade is attributable to the drastic decrease in its "noncommercial trade" with the PRC and Russia, its former socialist allies. The ever-decreasing North Korean trade with the PRC decreased by 19 percent, and its trade with Russia decreased by 41 percent, during the first half of this year as compared with the same period last year.

In particular, the trade volume to these countries plummeted by 70 percent each. North Korean trade with Russia decreased from $5 million to $1 million, a level that can hardly be considered as trade.

North Korea recorded a trade deficit of $200 million and $30 million, respectively, with the PRC and Russia. Japan was the only country with which North Korea recorded a trade surplus, importing $100 million and exporting $140 million; however, this figure is considered to include a considerable proportion of loss-sustaining imports into Japan by the pro-North Korean General Association of Korean Residents in Japan.

Meanwhile, the overall North Korean domestic economy during the first half this year suffered a setback owing to a decrease in foreign trade, a slump in the production of energy and raw materials, the reluctance of Western businesses to invest, and flood damage. Economic construction projects that were completed and began operation during the period numbered 14, a significant decrease from the 74 in the same period in 1992 and 19 in the same period in 1994.

Yi Ho, a NUB information analyst, stated: We cannot know the exact situation because North Korea does not publish negative economic statistics. However, the North Korean economy during the first half this year is certain to record even worse results than it did last year, which was said to be the worst year ever recorded since the founding of the North Korean Government (with a growth rate of negative 1.7 percent).

Since Kim Il-song's death, various North Korean political events have been postponed, leading to budgetary indecision and the resultant crippling of financial operations. This is felt to be another major factor for the slump in industry.

Ministry Analyzes North's Economic Problems

SK0710092495 Seoul YONHAP in English 0906 GMT 7 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 7 (YONHAP) — North Korea is expected to suffer from the worst ever economic slump this year, due to decrease in the trade amount as well as to the flood damage, the Unification Ministry said Saturday.

According to the ministry's reports on the North Korean economy in the first half of this year, North Korea suffered from drop in the production of the manufacturing industry and in the external trade due to shortage of the supply of the energy and raw materials.

In addition, the recent flood will cause a great damage to the North Korean economy and make the economic growth rate fall even lower than last year's minus 1.7 percent, the reports said.

Although North Korea's trade with Japan increased 14.6 percent from last year to 240 million U.S. dollars, its trade with China and Russia fell 19.1 percent and 41.1 percent, respectively, from last year to 270 million dollars and 33 million dollars each.

Meanwhile, the inter-Korean trade reached 165,441,000 dollars in the first half of this year, nearly two times as much as the amount recorded in the same period of last year.

South Korea purchased 115,251,000 dollar worth of North Korean goods in the January-June period, up 56.3 percent from the same period of last year while having sold 50,190,000 dollar worth of goods to the North during the cited period, up 340 percent from a year earlier.

North To Deploy Nodong Missiles by 'End of 1996'

SK1010060995 Seoul HANGUK ILBO in Korean 10 Oct 95 p 1

[Article by reporter Son Tae-kyu]

[FBIS Translated Text] It was learned on 9 October that North Korea will deploy for actual warfare, Nodong-1 (Scud-D) missiles capable of covering not only the entire Korean peninsula, but also Japan and China, by the end of 1996.

A high-level official of the National Defense Ministry said that day: "North Korea is expected to deploy Nodong-1 missiles which they began developing in 1989 by remodeling Scud-B and C missiles and successfully test-fired in 1993, for actual warfare, by the end of next year." The official continued, by saying: "Nodong-1, whose range is 1,000 kilometers, is 15 meters long, and its warhead weighs 700 kilograms. The missile is also thought to be capable of carrying biochemical weapons."

According to this official, North Korea possesses a total of about 450 Frog rockets that have a range of 40 to 70 km, 170-mm self-propelled artillery guns, and 240-mm radioactive guns, as well as a total of some 500 Scud missiles with a range of 500 km, and is capable of firing some 28,000 shots continuously, per hour. In particular, North Korea is thought to be capable of firing some 11,000 missiles per hour without shifting the positions of guns, which is estimated to be capable of damaging 30 percent of Seoul.

This official also said: "North Korea's long-range guns, including missiles, are assessed as being the primary weapons for attacking thickly populated areas in wartime. It is urgent to prepare measures to cope with those weapons not only because of their terribly destructive capability, but also their great psychological influence."

Foreign Minister To Raise Human Rights Issue

SK0610124395 Seoul YONHAP in English 1227 GMT 6 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 6 (YONHAP) — Foreign Minister Kong No-myong said Friday afternoon he would continue to raise the issue of North Korean human rights condition at the United Nations and other international organizations.

Minister Kong made the remarks at Kimpo Airport upon his return home from a trip to New York where he attended the year's UN General Assembly.

He told reporters that he is sure the non-aligned conference taking place in Colombia on Oct. 19 will reject a resolution North Korea is preparing to propose on the question of a peace mechanism on the Korean peninsula.

"I obtained the feeling of the resolution being doomed during a series of talks with non-aligned countries' foreign ministers in New York," Kong said.

Minister Kong declined to comment on the controversial issue of possible refitting of trade-related government offices.

Correction to Daewoo Workers Return From North

SK0810035895 Seoul CHOSON ILBO in Korean 8 Oct 95 p 13

[Corrected version of report by Kim Yon-kwang; correcting headline, explanatory note describes other differences from initial FBIS version]

[FBIS Translated Text] It was learned on 7 October that a team composed of 13 Daewoo technicians, who were dispatched to North Korea's Nampo Industrial Complex to build three factories for making shirts, jackets, and bags, have all returned. A relevant Daewoo official said that "six of 13 technicians who visited North Korea on 22 July returned home on 31 August, and the remaining seven withdrew on 26 September." It has been learned that the withdrawal of Daewoo's team of technicians' was prompted by Daewoo's failure to send investment money amounting to $5.12 million because of a delay in conclusion of an investment contract by the North Korean side. [rewording sentence, changing "the DPRK's failure" to "Daewoo's failure", changing "remit its" to "send", and changing "contract with" to "contract by"]

Four North Koreans Hope To Settle in South

SK0810014795 Seoul YONHAP in English 0100 GMT 8 Oct 95

[FBIS Transcribed Text] Hong Kong, Oct. 8 (YONHAP) — Four North Koreans, under detention since last year for illegally entering Hong Kong through China, were released Thursday, a spokesman for the Hong Kong Government said Saturday.

The Hong Kong authorities freed Kim Chong-yong, Hong Chin-chi, Yi Song-hyon and Nam Su to protect their human rights from the long imprisonment, the spokesman said.

The North Koreans were allowed to move freely within Hong Kong but will not be free to travel abroad, he said.

They are currently staying at a Hong Kong motel with the help of Korean residents here.

The North Koreans had staged a hunger strike for one week from Sept. 13 to demand their release.

All of the four North Koreans expressed the hope to move to South Korea, according to officials of the Hong Kong Government.

South Korean diplomats here also confirmed that the North Koreans hope to go to South Korea.

Final Shipment of Rice Aid Sent to North

SK0710050095 Seoul YONHAP in English 0442 GMT 7 Oct 95

[FBIS Transcribed Text] Tonghae, Kangwon Province, Oct. 7 (YONHAP) — The final shipment of South Korea's promised rice aid to North Korea left this city's port for the North Korean port of Chongjin at 9:20 am Saturday.

The "Korex Pusan," carrying 2,600 tons of rice, has virtually brought to an end the more than three-month operation transporting the 150,000-ton rice assistance package to North Korea. During the period, a total of 28 vessels participated in the grain shipments since the "Sea Apex" left the port of Tonghae with the first batch of rice for Chongjin on June 25.

About 70 people, including government officials, saw the last ship off at the port of Tonghae. A total of 11 crew members are on board the Korex Pusan, a 2,603 gross-ton freighter operated by the Korea Express Co.

Final Rice Vessel Leaves

SK0910102295 Seoul YONHAP in English 1016 GMT 9 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 9 (YONHAP) — Delivery of the 150,000 tons of rice South Korea promised for North Korea for free has been completed by Monday, the National Unification Ministry said.

"The final rice vessel left the Chongjin Harbor of North Korea Monday after unloading rice and is expected to return to its home port, Pusan, Tuesday evening," a ministry official said.

He said that despite some troubles that flared up in the initial phase of the rice shipment, South Korea had fulfilled the rice pledge to add to the country's credibility in the world community.

"We also expect that the rice delivery, the first large-scale rice donation to the North by government authorities since national division, will have an affirmative effect on South-North relations in the long run," he said.

The 150,000 tons given to the North comprised relatively good- quality rice: 78,000 tons of 1993 produce, 28,800 tons produced in 1992 and 43,200 tons of 1989 rice.

For the rice shipment begun on last June 25, a cumulative number of 32,500 10-ton trucks were used in inland shipping: 13,500 man- days were used in loading the rice: vessels from nine shipping firms made 28 trips to the north: and a cumulative number of 400 seamen visited the North as rice vessel crews.

The rice donation cost the South Korean Government 184.5 billion won (roughly 240.2 million U.S. dollars) — 175.5 billion won in rice price and 9 billion in subsidiary expenses.

Korean Airlines Ships Relief Supplies to North

SK0710093195 Seoul YONHAP in English 0428 GMT 7 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 7 (YONHAP) — Korean Airlines (KAL) announced Saturday that it is transporting free of charge medical relief supplies being sent by an American Christian Mission for flood victims in North Korea.

The first shipment, comprised of 169 boxes (2 tons) of antibiotics and intravenous medical supplies, was sent from Chicago to Seoul Friday. From Seoul's Kimpo International Airport, the supplies will then be transported to the port of Inchon before finally arriving at Nampo port in North Korea.

KAL plans to send another 400 kilograms of antibiotics, also free of charge, directly to North Korea from the Netherlands after the initial shipment is received.

The American Christian Mission had reportedly been asked by the North Korean Committee for aiding overseas compatriots to send the supplies.

Daily Views Future of North-South Ties

SK0910090295 Seoul SEOUL SINMUN in Korean 9 Oct 95 p 3

[Editorial: "Relations After the First Shipment of Rice Aid to North Korea"]

[FBIS Translated Text] The transport of 150,000 tonnes of rice to North Korea to help solve its food shortage was completed as of 7 October. The completion came 104 days after the ship Sea Apex departed Tonghae on 25 June with 2,000 tonnes of rice. The price of 150,000 tonnes of rice is as much as 180 billion won. By sending 100 tonnes more rice than promised, the government even compensated for the loss caused during its transport. This is the expression of the will to keep the promise of offering 150,000 tonnes of rice to the end.

It is fortunate to complete the promised provision of rice to North Korea, though it has undergone some vicissitudes. In the course of rice transport, various incidents occurred, including the forcible hoisting of the North Korean flag, abduction of the crew members, and the like. Besides, public opinion strongly demanding the suspension of rice support arouse in our society due to the North Korean authorities' shameless attitude.

As a result, North-South relations were worsened for a while, and some people did not regard the rice support as a success. However, we would like to take a different view. Since our government decided to send rice to North Korea from the standpoint of compatriotic love, we deem it a just forward-looking attitude to keep our promise, although the North Korean authorities committed an act going counter to etiquette.

The problem lies in future North-South relations. Although North-South relations are strained at present, they will be improved, and additional rice aid and flood reliefs will be realized if the North Korean authorities release the crew members of the Usong Boat soon and accept "the principle for North-South dialogue" which our government put forward during the third round of Beijing talks.

It is our government's consistent position to provide rice to North Korea. However, we should have the principle and justification for this. The North Korean authorities should keep this in mind. Even if one carefully reviews the principle put forward by our government, one will realize that there is nothing difficult to implement. Our proposal to discuss domestic problems of fellow countrymen on our own land is a natural logic. Besides, it is also a natural demand that the qualifications of delegates to the talks should be clearly specified. The most urgent task in present North- South relations is to recover mutual trust through dialogue. For this, North and South Korea should return to the spirit of the North-South Agreement. We again call on the North Korean authorities to positively participate in the work of recovering trust between fellow countrymen who shared the same blood.

Government To Not Promote Inter-Korean Talks

SK0910064695 Seoul CHOSON ILBO in Korean 9 Oct 95 p 2

[Report by Ku Song-sin]

[FBIS Translated Text] It was learned on 8 October that the government has finalized its stance to not promote at all nonofficial contacts for the promotion of inter-Korean dialogue and to not make a proposal to North Korea with regard to the operation of a North-South economic joint committee unless North Korea changes its stance of rejecting inter-governmental dialogue.

On 4 October, the government held a unification and security policy coordination meeting and mapped out such a policy. In addition, the government reaffirmed its existing policy that it will not render any additional aid to North Korea unless there is an official request from the North Korean authorities.

Accordingly, the government will restrict flood assistance to North Korea to the civilian-level and the Korean National Red Cross' donation worth 50,000 dollars on humanitarian grounds, and has retracted its former stance that "flood assistance of up to $2 million may be possible at the government-level on humanitarian grounds."

A high-ranking government official said today: "Only when dialogue takes place between the North and South will peaceful coexistence and exchange and cooperation be possible."

He then added: "It is a firm stance of the government that no significant progress will be made under circumstances in which North Korea rejects dialogue between the authorities."

PRC-North Oil Pipelines 'Washed Away'

SK0910043895 Seoul CHUNGANG ILBO in Korean 9 Oct 95 p 2

[Report by Choe Won-ki: "PRC-North Korea Oil Pipelines Washed Away"]

[FBIS Translated Text] It was confirmed that some of "PRC-DPRK friendship oil pipelines," which account for more than 90 percent of the entire oil transport of North Korea, were washed away by the great floods in early August, and, as a result, North Korea's oil import from the outside has been totally suspended.

It is the area around "Sokha," located between Paengmari and Nagwon in North Pyongan Province, where the oil pipelines were damaged, and its restoration work has not been completed so far, although two months have passed since the damage took place. It is the first time that the DPRK-PRC oil pipelines were damaged since it was built in January 1976.

A government official on 8 October said that "some of the oil pipeline linking Dandong, China, and Ponghwa Chemical Plant in North Korea, were washed away by the great floods in early August. The area around Sokha, where the pipelines are buried, has been greatly destroyed by the flood. But the damage has not been restored yet."

After some of the oil pipelines were destroyed due to the torrential rain up to 600 mm, both North Korea and China immediately locked the valve of oil pipes, and launched restoration work. However, various materials and equipments, which are required for the restoration of oil pipelines, are reportedly in short supply. Besides, flood damages in Sokha have been known very serious. As a result, the transport of 900,000 tonnes of oil that China supplies to North Korea annually has been completely suspended as of 7 October.

Meanwhile, experts say that the oil pipeline-related incident will seriously and negatively affect North Korean economy, which is already suffering great stagnation due to flood damage.

Dr. Choe Su-yong of the National Unification Research Institute pointed out that "the China-North Korea oil pipelines are North Korea's lifeline, which account for more than 90 percent of oil brought in from the outside. If the damages of the pipelines are prolonged, North Korea will have to reduce not only its civilian economic sectors, including transportation and oil chemical industry, but also the mobilization training of the People's Army, as a result of oil shortage."

Government Refutes Murayama's Remarks

SK1010023195 Seoul YONHAP in English 0216 GMT 10 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 10 (YONHAP) — The Ministry of Foreign Affairs (MOFA) Tuesday issued a statement refuting the recent remarks made by Japanese Prime Minister Tomiichi Murayama in which he said the annexation treaty signed between Korea and Japan in 1910 was legally valid in consideration of the international politics and other historical circumstances of the time.

In the statement, the South Korean Government reaffirmed its position that the annexation treaty is null and void in principle, saying that Korea was coerced into signing the settlement.

Murayama made the controversial remarks last Thursday [5 October] while answering questions raised by a lawmaker at the Japanese parliament about the issue.

Kim Yong-sam Receives Japanese Business Leaders

SK0710015795 Seoul THE KOREA HERALD in English 7 Oct 95 p 2

[FBIS Transcribed Text] President Kim Yong-sam received a courtesy call from Korean and Japanese business leaders at Chongwadae yesterday.

The Japanese businessmen, visiting Seoul for an annual forum, were led by Shoichiro Toyota, chairman of the Japan Federation of Economic Organizations (Keidanren), while the Korean delegates were headed by Choe Chong-hyon, chairman of the Federation of Korean Industries (FKI).

NCNP Urges Murayama To Retract Remarks

SK1010072595 Seoul YONHAP in English 0628 GMT 10 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 10 (YONHAP) — The main opposition National Congress for New Politics (NCNP) demanded Tuesday that Japanese Premier Tomiichi Murayama immediately retract the remarks he made regarding the Japanese annexation of Korea treaty in 1910 and that he apologize.

Chu Mi-ae, NCNP spokeswoman, said, "We cannot restrain our shock and lament after hearing that Japan denied that it coerced Korea into signing the treaty."

Murayama recently said that the treaty signed in 1910 had been concluded in a legally valid manner, arousing anger among a number of Koreans.

"Japan should reflect on the past and apologize in order to eliminate any worries the world might have that the country, which hopes to become a permanent member of the United Nations Security Council, may be trying to conquer the world rather than contribute to world peace," Chu opined.

Beijing 'Virtually Nullified' Military Treaty

SK1010115095 Seoul YONHAP in English 1143 GMT 10 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 10 (YONHAP) — The Mutual Friendship Treaty between North Korea and China, which calls for China's automatic involvement on North Korea's side in any military conflict on the Korean peninsula, was virtually nullified with China's normalization of relations with South Korea, Foreign Minister Kong No-myung said Tuesday.

Responding to questions raised by Rep. Yi Man-sup of the ruling Democratic Liberal Party at the parliamentary probe of the Foreign Ministry, Kong said that "I was told by Chinese officials that the automatic military involvement clause of the North Korea-China Mutual Friendship Treaty was practically cancelled when South Korea and China normalized relations."

"Therefore, South Korea does not have any plan to ask China to formally cancel the North Korea-China treaty in the near future," Kong said.

The foreign minister said that the South Korean Government will respect China's policy toward the Korean peninsula in which the Beijing government wants to maintain balanced relations with both Koreas.

He said that the relationship between South Korea and China far surpasses that between China and North Korea, although mere three years have passed since Seoul and Beijing normalized relations in 1992.

South Korea, therefore, does not want to make trouble with the issue of the automatic military involvement clause binding North Korea and China, Kong said.

Ship Detained for Smuggling Illegal Aliens

SK1010083195 Seoul YONHAP in English 0823 GMT 10 Oct 95

[FBIS Transcribed Text] Inchon, Oct. 10 (YONHAP) — A wooden ship allegedly smuggling 23 Chinese of Korean descent from Liaoning Province, China, into Korea was seized Monday [9 October] off the western coast of Inchon by the National Maritime Police and the Korean Navy.

Carrying 15 men, including Kim Chin-ho, 31, and Kim Hong-saeng, 24, and eight women, the 10-ton vessel was captured 9.5 miles northwest of Tokjok Island around 9 PM [1200 GMT] Monday.

The police reported that each of the 23 passengers had paid the ship's captain 10,000 yuan (about 950,000 won) for the voyage. Furthermore, a woman who had boarded the ship at its port of origin was reported missing during the trip.

Since June, the total number of instances in which illegal Chinese aliens have attempted to gain entrance into Korea via the western coast has increased to seven with police apprehending 85 suspected illegal aliens thus far this year.

Defense Ministry Promotes 89 General Officers

SK1010123995 Seoul YONHAP in English 1056 GMT 10 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 10 (YONHAP) — The government on Tuesday promoted a total of 89 tri-service general officers and colonels to their next higher grades.

They included six maj. generals, 18 brig. generals and commodores, and 65 colonels and captains promoted to the grades of lt. general, maj. general or rear admiral, and brig. general or commodore, respectively.

The six who got their third star included Yim Chae-mun, commander of the Defense Security Command: and Choe Ton-kol, commander of the Army Training and Doctrine Command (TADC), who both remained at their present duties despite promotion.

The four others were Pak Yong-tok, chief of staff of the Second Army: Kim Sok-chae, army deputy chief of staff for personnel: Pak Yong-ik, chief of TADC's Battle Ability Development Department: and Cho Yong-kil, deputy director of Battle Ability Planning Department of the Joint Chiefs of Staff, who all were reassigned as corps commanders upon being promoted.

Brig. Gen. Kim Sung-kwang, an aide to the defense minister, and eight others were promoted to maj. generals and given the command of army divisions. Five other one-star generals were promoted to maj. generals at their present duties.

Among those promoted to two-star generals was Brig. Gen. Yu Po- son, chief of the Office of Requirements Verification, Joint Chiefs of Staff, who was a member of the now-defunct clandestine Hanahoe Army Society.

"We promoted him since he has been faithful to his duties despite various disfavors he faced because of his ex-Hanahoe membership and since the army needs his expertise in arms control," a Defense Ministry official said.

By service branch, the 89 officers promoted included 13 naval officers — two commodores promoted to rear admirals and 11 captains promoted to commodores.

The Air Force officers affected were three brig. generals and eight colonels promoted to maj. generals and brig. generals, respectively.

Manpower Shortages in Military Discussed

SK0710134295 Seoul MUNHWA ILBO in Korean 6 Oct 95 p 2

[Report by Pak Kwang-su]

[FBIS Translated Text] The military is shaking. It has been learned during parliamentary inspections of government offices that the military, which has the main duty of protecting the lives and property of the people, is flawed with various incidents and irregularities and is suffering from a shortage of manpower and military equipment. This shocks the people.

Discords over the fact that those who come from a specific region hold sway in the military leadership, conflicts over military personnel's past careers, and measures for military reform suited to occasions are all complex factors that cause the people uneasiness. In particular, lower military organizations are dissatisfied with the military leadership and distrust it. As a result, the military leadership is undergoing difficulties in exercising its command. Experts point to this as the most serious problem that makes the people uneasy.

A military official stated on 6 October that the chief of the Army General Staff has recently decided to give priority for promotion to field commanders and to conduct a large reshuffle of lieutenant colonel- and major-level officers in policy-making offices, such as the National Defense Ministry, who are supposed to be evaluated for promotion next year; relevant officers are quite dissatisfied with this plan. National Defense Minister Yi Yang-ho was not informed of the Army Headquarters' decision in advance. Accordingly, this incident is regarded as one of a series of conflicts that have occurred between the National Defense Ministry and the Army since a reserve general of the Air Force was appointed national defense minister.

Meanwhile, dissident groups are demanding the resignation of Kim Tong-chin, chairman of the Joint Chiefs of Staff, insisting that it is difficult to recognize his legitimacy as the general commander of the three Armed Forces because he was commanding officer of the corps quelling the riot at the time of the 18 May [1980] Kwangju popular uprising for democratization. This is another conflict in the military.

Because of the decreasing military morale, which has reached a grave level, military men's motivation has also been reduced. As a result, the Navy is currently seeking some 720 officers and about 520 petty officers. In addition, many of those who once volunteered to enter the military have been discharged from service earlier than originally scheduled. This serious shortage of military manpower was revealed on 4 October during parliamentary inspections of government offices.

Korea Mobile Telecom Request Rejected

SK0710024695 Seoul THE KOREA HERALD in English 7 Oct 95 p 9

[FBIS Transcribed Text] The Ministry of Information and Communication [MIC] has turned down Korea Mobile Telecom's request to award it additional radio waves for its new digital cellular service.

"The ministry has decided not to give KMT additional cellular frequencies to promote an atmosphere of fair competition with start- up cellular-service rival Sinsegi Telecomm," said an MIC spokesman.

Korea Mobile Telecom has demanded that 4 MHz out of the 10-MHz radio wave, earmarked for Sinsegi Telecomm, be handed over to it for the successful introduction of its commercial CDMA (code division multiple access) service early next year. The demand touched off strong protest from Sinsegi and a host U.S. telecom companies, [as published] which hold stakes in Sinsegi.

"Instead, KMT has to convert parts of its analog frequencies for its CDMA service," the MIC spokesman said.

KMT currently uses 15 MHz of the country's maximum cellular frequency resource of 25 MHz for its analog cellular service.

The company insisted that its analog cellular network is nearly saturated with more than 1.4 million subscribers as of the end of August and thus needs another 4-MHz frequency in order to accommodate additional new subscribers through its digital CDMA service.

KMT's CDMA system, developed at a cost of several hundreds of billion of won over the past several years, will not be put into service in January next year as scheduled, without the additional 4 MHz, the company said.

In response to the MIC's announcement, meanwhile, KMT issued a strongly-worded statement, warning that its analog service will be suspended for large numbers of subscribers in Seoul, particularly, from late this year.

"The existing subscribers will suffer a lot of pain, if KMT starts to covert parts of its analog frequencies for the CDMA service," the statement said.

Cambodia

Rebels Say 30 U.S. Engineers Desert Highway 4

BK0910040695 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 8 Oct 95

[Interview with Khieu Samphan, prime minister and minister of the National Army of the Provisional Government of National Union and National Salvation, by unidentified correspondent; place and date not given — recorded]

[FBIS Translated Text] [Correspondent] My respects to your excellency the prime minister. The U.S. ambassador in Phnom Penh came up with a lame excuse when he claimed that the United States is not engaging in any military intervention. Excellency, do you have any comments?

[Khieu] Yes. In my opinion, excuses or deceitful explanations solve nothing. The important question is to know whether the United States has terminated its criminal policy toward the Cambodian nation and people or is it still continuing this policy, that is, a policy of conniving with communist Vietnam in sabotaging the Paris agreement, installing the two heads, and employing the latter as a tool to destroy peace and national reconciliation and to continue the flames of the communist Vietnamese war of aggression against the Cambodian nation and people. Everybody has clearly seen how this policy has wrecked the Cambodian nation and people and what evil effect it has on the United States. Everybody has also clearly seen how deeply the United States has become bogged down by this. Is the United States pulling itself out or is it sticking its neck more deeply in this communist Vietnamese war of aggression against Cambodia? If it is pushing its head more deeply into this war, it will surely get bogged down once again. As far as the regular army of the Cambodian nation and people is concerned, it is ever ready to defend the Cambodian nation and people.

[Correspondent] Sir, what constitutes the regular army of the Cambodian nation and people?

[Khieu] It is the various types of stakes — poison-tipped stakes, poisonous stakes, and punji pits — that our people have jointly, enthusiastically, and dynamically produced. Allow me to cite one example to illustrate the great power of this regular army on Route 4. The U.S. Administration sent 30 officers specializing in highway and bridge construction to repair Route 4 for military purposes. What has happened to them now? The U.S. officers and rank-and-filers involved in repairing a portion of Route 4 between Kompong Seila and Pich Nil have all deserted. They no longer dare to repair this highway because they are afraid of dying, because they are frightened of the poison-tipped stakes, poisonous stakes, landmines, and guerrilla attacks of our people. Together with the National Army, our people have already cut off Route 4 after digging 24 pits on its surface between 1 August and 3 October.

If more U.S. military personnel are sent there, be it 20 or 30 more, they will surely die. And if they die, U.S. citizens will not remain indifferent. It will surely be Somalia all over again, and Clinton will have to forget about his re-election campaign. As an aggressor, the Clinton administration will have to bear full and complete responsibility.

[Correspondent] In my opinion, we have not only the stakes.

[Khieu] Yes, you are right. I said that just to parody our people who call the various types of stakes their regular army. In reality, such an overwhelming and invincible power can be nothing else but the power of our entire nation and people. Historic experiences both in our country and in the world have indicated that people constitute the determining factor. The people that I mention here are the people both in the countryside and in the cities. And these people are fired up not by the sentiment of recent days. They have been tested for the past 16-17 years in the struggle against the communist Vietnamese war of aggression and the war that UNTAC [UN Transitonal Authority in Cambodia], the alliance, and the two- headed cheap lackeys of communist Vietnam and the alliance have been carrying out to date.

Even the soldiers of the two heads are weary of war. They do not want Hun Sen and Ranariddh to lead them into battles where they might die. They want to return to work in their fields and orchards, and to feed their wives and children preventing them from dying of hunger.

In addition to the nation and people both in the countryside and the cities as mentioned above, we also control liberated territories, semi-liberated territories, territories that are liberated at night, and territories in which we regularly conduct guerrilla activities throughout all provinces and districts, not just territories limited to western Cambodia alone. In other words, we have territorial bases of which 80 to 90 percent are located in the countryside. Having the force of the peasantry and territorial bases in the countryside means having economic bases, for rice, corn, beans, fish, timber, and rubber found only in the countryside. And transportation routes which are the major blood vessels of the two heads are also located in the countryside. I do not mean just transportation lines in remote rural areas. Route 6, Route 5, both the Phnom Penh-Battambang and Phnom

Penh-Kompong Som railroads, and even Route 4 — the vital lifelines of the two heads in Phnom Penh — have not escaped the reach of our army and people. So, the 20-30 U.S. highway and bridge construction officers cannot solve anything.

Moreover, we have the National Army which is an army comprised of the people, taking its roots and trunk from the people. The National Army joins the people in waging a guerrilla and people's war. It is similar to an army of giant black ants. No matter how poisonous a centipede may be, it is no match for the giant black ants that attack it from all directions, biting it and dragging it until death.

Indonesia

'Strong Earthquake' Hits Jambi; 100 Dead

BK0710080395 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 7 Oct 95

[FBIS Translated Text] A strong earthquake that jolted Jambi Province early this morning has already claimed 100 lives. The tremor injured hundreds of people. Speaking to Radio Republik Indonesia this afternoon, Aryana Yasin, head of the Sultan Taha Airport Meteorological Office in Jambi, said the epicenter of the earthquake, which measured 7 on the Richter scale, was located at 2.1 degrees South latitude and 111.2 degrees East longitude at a depth of 33 km. The tremor was located about 16 km west of Sungai Penuh town, or 262 km southwest of Jambi city, and took place at 0109 West Indonesian time [1709 GMT on 6 October]. Aryana said communications links with the affected area have been cut. Jambi Meteorological Office personnel are continuing to monitor the situation closely.

Earthquake Jolts Padang 7 October

BK0810085695 Jakarta ANTARA in Indonesian 1717 GMT 7 Oct 95

[FBIS Translated Text] Padang 7 Oct (ANTARA)—An earthquake measuring 3.5 on the Richter scale, with a strength of II MMI [Modified Mercalli Intensity] was felt by the people of Padang at 1547 West Indonesian time [0847 GMT].

Sudadi, head of the Padang Panjang Meteorology and Geophysics Station, said on Saturday night that the epicenter of the earthquake was 17 km southeast of Padang Panjang (70 kilometers from Padang- Bukittinggi direction) in Singkarak Lake.

At 1528 West Indonesian time, an earthquake measuring 3.2 on the Richter scale, with a strength of II MMI, was felt in Padang Panjang but did not jolt Padang.

Sudadi said that the quake resulted from the release of energy that had accumulated in Sumurup and Kerinci being discharged in Singkarak.

Tectonic Earthquake Hits Jakarta, Sukabumi

BK0810140395 Jakarta ANTARA in Indonesian 1230 GMT 8 Oct 95

[FBIS Translated Text] Jakarta, 8 Oct (ANTARA)—A tectonic earthquake measuring 5.2 on the Richter scale rocked Jakarta and Sukabumi on Sunday at 1215 West Indonesian time [0515 GMT]. A press release from the Jakarta Meteorology and Geophysics Station said, however, that there have been no reports on the number of casualties and damages.

The epicenter of the earthquake was approximately 120 km southwest of Sukabumi town, at 7.33 degrees south latitude and 105.91 degrees east longitude and at a depth of 470 km in the Indian Ocean.

The tremor was recorded at a strength of II-III MMI [Modified Mercalli Intensity] in Jakarta and at III-IV MMI in Sukabumi.

Observers from the Meteorology and Geophysics Station said that the quake in Jakarta and Sukabumi is not related to the quakes in Kerinci regency and in Jambi that occured on Saturday, 7 October.

Tectonic Earthquake Hits Banda Aceh 8 Oct

BK0910072795 Jakarta ANTARA in Indonesian 0631 GMT 9 Oct 95

[FBIS Translated Text] Banda Aceh, 9 Oct (ANTARA) — Banda Aceh city and its surroundings were jolted by a tectonic earthquake measuring 4 on the Richter scale at about 2229 West Indonesian Time [1529 GMT] on Sunday night. This was disclosed by an official from the Geophysics Office in Banda Aceh.

Speaking to ANTARA in Banda Aceh on Monday, Syahnan, technical director of the Geophysics Office, said that the 50-second earthquake startled local people who had just finished watching a television report on the earlier disastrous earthquake in Kerinci, Jambi province.

The disastrous earthquake in Kerinci that destroyed more than 1,000 buildings and killed dozens of people obviously traumatized residents of the Bukit Permai housing estate in Banda Aceh. They also expect severe aftershocks following the Kerinci earthquake.

Syahnan said the epicenter of the earthquake was located at 2.64 North Latitude and 96.48 East Longitude at a depth of about 156 km under the Indian Ocean, not far from Simeuleu Island.

The latest earthquake was the third one to have taken place in Aceh this year, the second and first occurring in June and January. The previous tremors lasted less than one minute with an average intensity of 2.3 on the Richter scale.

"Besides the three earthquakes, this area has also experienced hundreds of minor tremors not felt by humans, who are normally busy with daily activities," said Syahnan.

Geographically speaking, Aceh is located on the earthquake-prone Bukit Barisan fault. "All areas located on the Bukit Barisan fault, namely from Aceh to Semangko Bay in West Sumatera, are earthquake-prone," said Syahnan.

ABRI Prepared To Assist in Earthquake Relief

BK0810101295 Jakarta ANTARA in Indonesian
0753 GMT 8 Oct 95

[FBIS Translated Excerpt] Sungai Penuh, 8 Oct (ANTARA) — ABRI [Armed Forces of the Republic of Indonesia] Commander General Feisal Tanjung is ready to supply a Hercules aircraft and two Puma helicopters for relief operations at Sungai Penuh in Kerinci regency.

At about 1700 GMT on 6 October, the area was jolted by a strong earthquake that measured 7 on the Richter scale and killed 78 people.

Major General R. Karyono, commander of the second Sriwijaya military area, said this to ANTARA on Sunday after visiting the quake victims at Kerinci General Hospital, Sungai Penuh, 410 km from Jambi town. [passage omitted on ABRI's welfare activities]

As of news time, the quake toll remains at 78 persons dead; 673 were seriously injured and 1317 slightly injured. At least 10,000 houses were damaged in six subdistricts in Kerinci regency. [passage omitted on rescue operations]

Unrest Leaves One Dead in New East Timor Riots

BK1010064895 Hong Kong AFP in English
0628 GMT 10 Oct 95

[FBIS Transcribed Text] Dili, East Timor (AFP) — One person has been killed in riots in the capital of the disputed territory of East Timor over the detention of three youths by police, witnesses said Tuesday.

An East Timor University student told AFP that dozens of youths in the Matadoura district of the city had been staging demonstrations since Monday and that at least 10 vehicles had been burned.

One East Timorese was stabbed to death Monday, according to several independent sources. The authorities could not be reached for comment.

The former Portuguese colony was invaded by Indonesia in 1975 and annexed one year later. The United Nations still considers Portugal the legal administrator.

The territory has been regularly hit by anti-Indonesian inspired violence.

Suharto Criticizes 'Formless Organizations'

BK0610121595 Jakarta ANTARA in Indonesian
0823 GMT 6 Oct 95

[FBIS Translated Text] Jakarta, 6 Oct (ANTARA) — President Suharto has called on the Indonesian people, especially the younger generation and students, to be vigilant against formless organizations [organisasi tanpa bentuk] that have actively disseminated communist ideas to the younger generation by using the door-to-door approach.

Speaking to reporters after meeting with the president at the Cendana Road presidential residence on Friday, Hayono Isman, state minister for youth and sports affairs, quoted the president as saying that the formless organizations usually operate under the pretext of human rights, justice, and openness.

The president said people must not forget the the G-30-S/PKI [30 September Movement/Indonesian Communist Party] incident because even though communism no longer exist physically, it still exists in ideas and thoughts.

The communists' main targets are the younger generation and students who did not experience the country's dark history during the G-30-S/PKI incident. It is understandable that youths have the natural idealism of trying to uphold justice and openness and they have become the target of the door-to-door campaign by these organizations opposed to Pancasila state ideology.

Some youths have been influenced by and openly voiced their sympathy to former members of Lekra [cultural organization affiliated to Indonesian Communist Party].

Formless organizations are now conducting limited dialogue sessions from one house to another, during which communist ideas are introduced. The minister said official youth organizations usually conduct dialogue sessions openly like the holding of congress and anniversary celebrations.

"It is a challenge for the youth organizations to be able to hold two-day communications," he said.

The formless organizations stress the use of reasoning in their operations. This is different from what they have done in the past.

"ABRI [Armed Forces of the Republic of Indonesia] used to play a dominant role in suppressing the communist-backed activities. Now the old armed method is no longer applicable. We must also use reasoning in countering the formless organizations," said the minister.

He said many youths have great sympathy for former Lekra members. It is alright if their sympathy is based on humanitarian reasons, but it is quite dangerous if they unconsciously help spread communism.

"The younger generation seems to have forgotten an unpleasant historical fact," Hayono said.

The minister said that formless organizations have launched disproportionate criticisms via the Internet and illegal leaflets.

One of the disproportionate criticisms is the existence of business conglomerates in which class struggle between the upper and lower classes is demonstrated. In fact, it is normal for any society to have upper and lower classes, and the two should be together in partnership instead of being pitted against one another.

Another issue raised by the formless organizations is that a certain area in Indonesia belongs to the followers of a certain religion. This will, in turn, create a situation that such an area will only pay attention to its own interests. If this situation is left unchecked, it will undermine the nation's unity and integrity.

This move is aimed at causing divisiveness from within the country because it is not possible to do it from outside.

"Some people inside the country do not like to see a strong Indonesia," said the minister. An economically strong Indonesia is different from an economically strong Singapore because Indonesia is rich with natural resources," said the minister.

During the meeting with President Suharto, the state minister for youth and sports affairs reported on preparations to mark the Youth Pledge Day on 28 October during which, among other things, the president will launch Indonesia's Internet network system.

Suharto's Remarks on Armed Forces' Role Viewed

BK0710115195 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 7 Oct 95

[From the press review]

[FBIS Translated Text] SUARA KARYA attaches great importance to President Suharto's call on ABRI [Armed Forces of the Republic of Indonesia] to prove that it will not turn the country into a military state. Anti-Indonesian elements both within and outside the country have always put out propaganda to the effect that Indonesia is a military or military-controlled state. In response to this systematic propaganda, President Suharto has repeatedly stressed that Indonesia will never become a militaristic, authoritarian, or totalitarian state. History has even proved that ABRI's role in state affairs has even helped promote democratic development in our country. SUARA KARYA also calls on the people to scrutinize the nation's history since the New Order government was established, from which it can be clearly seen that ABRI has never tried to turn to country into a military state.

ANGKATAN BERSENJATA also calls on us to scrutinize the nation's history since the country's independence, because this will prove that ABRI, with its dual function concept, has never led the country toward being a military state. Even though ABRI had the power and the full mandate of the people during the transition era from the Old Order to the New Order, it did not take advantage of the situation by setting up a military junta. ANGKATAN BERSENJATA notes that ABRI has no militaristic doctrine; instead, it has actively promoted democratic campaigns through several of its national political programs. Therefore, this daily describes as nonsensical the accusation from certain quarters that ABRI's dual function will lead to the establishment of a military state. ABRI will certainly be unruffled by these accusations and will firmly continue to carry out its national duty as enshrined in the Pancasila ideology and the 1945 Constitution.

A similar stand is also voiced by PIKIRAN RAKYAT, which describes as unreasonable the concern expresed by certain quarters that ABRI with its dual function will turn the country into a military state. These people's concern is caused by their failure to properly understand ABRI's role and function. PIKIRAN RAKYAT points out that several government posts earlier held by ABRI officers are now assumed by civilians. This proves that ABRI has no ambition to set up a militaristic, authoritarian, and totalitarian state.

Philippines

Iran's Rafsanjani on Official Visit to Nation

Welcomed by Ramos

*LD0810134795 Tehran IRNA in English
1326 GMT 8 Oct 95*

[FBIS Transcribed Text] Manila, Oct. 8, IRNA — Iran's President Hojjat ol-Eslam Akbar Hashemi-Rafsanjani on Sunday was officially welcomed by President Fidel V. Ramos in Manila at the presidential palace.

A salvo of salute guns was fired in the air and the national anthems of the two countries played in the honor of the Iranian president.

Immediately after his arrival at the presidential palace, the two presidents held private talks followed by negotiations with participation of officials from both countries.

Issues ranging from mutual cooperation in fields of oil, gas, use of sea resources, navigation, environment protection, transit of goods to Central Asia via Iran to cooperation between the Association of South East Asian Nations (ASEAN) and the Economic Cooperation Organization (ECO) and joint venture were topics of the negotiations.

President Ramos said that the agreements signed by heads of Tehran-Manila joint economic commission would further upgrade the level of cooperation between the two nations.

Fidel Ramos voiced his country's readiness to expand political, economic, cultural and agricultural cooperation with Iran.

President Rafsanjani said in reply that the exchange of visits between Iranian and Philippine top level delegations has served to open a new chapter in bilateral relations.

He put emphasis on joint cooperation in oil, gas, agriculture and transportation.

Cooperation Agreements Signed

*LD0810140795 Tehran IRNA in English
1335 GMT 8 Oct 95*

[FBIS Transcribed Text] Manila, Oct. 8, IRNA — Tehran and Manila signed seven agreements on mutual cooperation Sunday simultaneously with the first day of Iranian President akbar Hashemi-Rafsanjani's 2-day state visit to the Philippines.

The agreements deal with bilateral cooperation in the fields of energy, fishery, shipping, environment protection, joint ventures, animal husbandry, and holding sessions of joint economic commission.

The agreements were signed by the political and economic officials of the two countries in the presence of President Akbar Hashemi-Rafsanjani and his Philippine counterpart President Fidel Ramos.

Also a tripartite agreement on transit of goods were signed by the foreign ministers of Iran and the Philippines, 'Ali Akbar Velayati and Domingo Siazon, and the Turkmen minister for foreign trade, Orazov Murat.

The agreement facilitates transit of goods from the Philippines to Central Asian republics by rail and trucks via Iranian soil.

In the signing ceremony, President Ramos lauded Iran's success in completing the Bafq-Bandar Abbas railway track which connects the Central Asian republics particularly Turkmenistan, Azerbaijan and Kazakhstan to Persian Gulf waters.

Promises Advice on Terrorism

BK0910022195 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 8 Oct 95

[FBIS Translated Text] Iran is ready to help the Philippines stop terrorism in the country. This was revealed by Iranian President 'Ali Akbar Hashemi-Rafsanjani during his arrival yesterday. Rafsanjani added that Iran will continue to support peace talks between the Moro National Liberation Front and the government.

Rafsanjani arrived yesterday for a three-day state visit, and is scheduled to discuss his country's political and economic relations with the Philippines.

Inspects Subic Bay Free Zone

*LD0910111695 Tehran IRNA in English
0956 GMT 9 Oct 95*

[FBIS Transcribed Text] Manila, Oct 9 (IRNA) — Iranian President Akbar Hashemi-Rafsanjani arrived in Subic Bay in northern Philippines for a four-hour visit Monday morning.

A major U.S. naval base was located in this bay for 36 years till 1993, and at present, Subic Bay is one of the free trade and industrial areas in the Philippines.

The president inspected different parts of the bay including telephone and shoe producing factories.

Addressing the officials present in Subic Bay, President Rafsanjani expressed his satisfaction over the conversion of the former U.S. base into a free zone.

Some 186 factories from the Philippines and 11 other countries, have been established in the bay and are engaged in various activities.

Prior to his departure for Subic Bay, the Iranian president paid tribute to the country's national hero, Jose Rizal, laying a wreath of flowers at the hero's grave at the Rizal Monument.

Rizal played a major role in gaining independence for his country from Spanish colonialists and finally was executed by Spanish forces.

The president arrived in Manila on Sunday on a 2-day visit upon the invitation of Philippine President Fidel Ramos. On the first leg of his three-nation tour, President Rafsanjani visited Vietnam and is to leave for Bangladesh Tuesday.

Views ECO-ASEAN Cooperation

LD0810203995 Tehran IRNA in English 2012 GMT 8 Oct 95

[FBIS Transcribed Text] Manila, Oct. 8, IRNA — President Hojjat ol-Eslam Akbar Hashemi Rafsanjani said here on Sunday that valuable concepts of the human rights and freedom are being exploited as a leverage in foreign relations which, he said, is not only a double standard practice but a biased attitude being pursued at international level.

Speaking at a dinner banquet held in his honour by President Fidel Ramos, the Iranian president went on to expound his point saying such an attitude is aimed at hegemony, interference in the internal affairs of others and acting as a deterring force in the development of other countries.

President Rafsanjani indicated that the presence of the Philippines in the Association of Southeast Asian Nations (ASEAN) and Iran's sensitive role in the Economic Cooperation Organization (ECO) would help those countries better cooperate in the fields of science and culture. He said that it would, in addition, promote their joint ventures and facilitate the transfer of technology as the ASEAN and ECO are two regional organizations with the treasure trove of experience.

The Iranian president stated, "through cooperation in science, culture, joint investment, and transfer of technology, we can take great strides in the direction of the mutual interests of the two countries".

Rafsanjani underlined that through the formation of a joint commission, grounds can be prepared for the promotion of a bilateral cooperation and friendly ties.

President Rafsanjani expressed optimism on the Philippino Government's negotiations with the nation's Muslims. He hoped that they would reach a satisfactory result promotive of the brotherly relations between the followers of the two great divine prophets (peace be upon them both).

President Ramos expressed pleasure at the expansion of relations between Iran and the Philippines, adding that the accords reached between the two countries, would help promote economic cooperation.

He concluded that the export products of the Philippines could pass through Iran to the Central Asian republics.

Talks Stress Economic Cooperation

LD0810173695 Tehran IRIB Television First Program Network in Persian 1530 GMT 8 Oct 95

[FBIS Translated Text] An hour or so following the more or less private talks between the presidents of Iran and the Philippines, the main talks between the two countries began. The main issues covered in these talks were: Ways to expand and extend cooperation in the fields of gas, oil, agriculture, marine industries, economic exchanges, transport and the transit of goods through Iran to Central Asia and Caucasia, preserve the environment, strengthen the cooperation between ASEAN and the ECO [Economic Cooperation Organization], and increase joint investment. The president of the Philippines said in this round of talks: The visit of Iran's senior delegation to the Philippines and the extensive understandings reached between the two countries, will form the basis of Tehran and Manila's new relations.

Mr. Fidel Ramos supported the expansion of cooperation between the two regional organizations of ASEAN and ECO. He added: The Islamic Republic of Iran, by endeavoring to extend the regional transport network, including the Sarakhs-Bandar Abbas railway, has a prominent role to play in the development and growth of the region; and I am willing to thank Iran — both on my own behalf and on behalf of some of the leaders of the countries of Central Asia and Caucasia whom I have met — for this praiseworthy endeavor.

In this round of talks, Mr. Hashemi-Rafsanjani also said that, with the exchange of senior delegations and the existence of suitable grounds for cooperation between the two countries, bilateral relations have entered a new stage.

In this round of talks, the heads of the two countries' joint commission submitted reports on the understandings reached so far.

Leads Prayers in Manila Mosque

LD0910200295 Tehran IRNA in English 1853 GMT 9 Oct 95

[FBIS Transcribed Text] Manila, Oct. 9, IRNA — President Hojjat ol-Eslam Akbar Hashemi-Rafsanjani led the evening prayer at the Abi mosque here today after being welcomed by a large gathering of Filipino Muslims.

Addressing the Muslim gathering, Rafsanjani expressed hope that followers of different schools of Islamic thought in the Philippines by resolving their problems, would live in peace.

He called upon Filipino Muslim youths to get more familiarized with the holy Qur'an and consider it as a source of their honor and dignity.

"Muslims throughout the world should feel responsibility towards each other and not be indifferent to the difficulties of Muslims," Rafsanjani added.

He said the U.S. fears the progress and dignity of Muslims.

Hojjat ol-Eslam Rafsanjani said that Iran as a strong country in the world attaches importance to the conditions of Muslims in the Philippines and is keen on establishing close cooperation with the country.

The Filipino people embraced Islam some 700 years ago and at present over ten percent of the country's population is Muslim. Most of the Muslims in the Philippines live in the southern parts of the country.

At the end of his speech, President Rafsanjani presented a Persian carpet to the Abi mosque.

Rafsanjani arrived in Manila from Hanoi, Vietnam, on Sunday for a two-day visit on the second leg of his 3-nation tour. On Tuesday he is depart for Dacca the Bangladesh capital.

Departs for Bangladesh

NC1010081095 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0430 GMT 10 Oct 95

[FBIS Translated Text] At the end of his official visit to the Philippines, President Hashemi-Rafsanjani participated in a news conference in Manila this morning and answered questions from international media correspondents. According to our correspondent in Manila, in his remarks the president expressed his satisfaction with the agreements reached during this visit and said the outcome was a variety of extensive bilateral cooperation.

President Hashemi-Rafsanjani referred to the setting up of an agricultural and animal husbandry complex in southern Philippines, reservoirs for oil storage, the utilization of oil reserves, and chrome mines in the Philippines as the bases of the Islamic Republic of Iran's economic activity in the country.

Discussing U.S. efforts to thwart Iran's relations with other countries, President Hashemi-Rafsanjani stressed the international negative reaction to the U.S. call for an embargo on Iran and added: The era of issuing orders and pressuring independent countries has ended and everyone seeks his own interests in forging relations.

Asked by a BBC correspondent about the objectives of his rotational visit to Asian countries, President Hashemi-Rafsanjani mentioned the visits of the Vietnamese and Filipino presidents to Tehran last year and stressed that in view of the extensive agreements reached during these visits, the outcome of this visit was extremely fruitful.

Referring to the trilateral agreement signed by Iran, Turkmenistan, and the Philippines, he described it as furnishing the benefits of the signatories. He said such agreements are part of the objectives of the Islamic Republic of Iran's economic and foreign policy.

While elaborating on his agreement with the president of the Philippines on combating terrorism, President Hashemi-Rafsanjani stressed that the Western countries, especially the United States, seek to abuse the human rights issue and said: As a country that is a victim of terrorism, Iran is more sensitive on this issue. One of the points that merits attention with regard to the agreement on combating terrorism is to extricate the terrorism ploy from the U.S. hand so that those who are victims of terrorism are not accused of it.

Concluding the official visit by President Hashemi-Rafsanjani to the Philippines, a joint communique was issued today. In this communique Iran and the Philippines stressed the need to broaden and strengthen cooperation in every area, especially in the economic field, and in agriculture, fisheries, commerce and industry, mines and petrochemical industries, oil and thermal energy, science, technology, and culture. In this communique, Tehran and Manila stressed the importance of special trade and economic zones such as Subic and Qeshm for the two sides and the exchange of experiences and support from investors. The Filipino side expressed its interest in purchasing oil from Iran.

The two countries welcomed links between university research centers and other university installations and emphasized the strengthening of cultural, scientific, and educational cooperation.

The communique noted that in view of the superb relations between the ASEAN and Iran, the presidents of

Iran and the Philippines welcomed similar relations between the members of ASEAN and the Economic Cooperation Organization [ECO] to ensure the appropriate scope for economic cooperation.

The joint communique also expressed satisfaction with the excellent bilateral cooperation in international organizations such as the Group-77 and the Nonaligned Movement and concurred on reciprocal support on important regional and international issues to boost international peace and security.

The two sides condemned violations of human rights and called for adherence to the same on the basis of respect for the cultural values and security of every country.

Similarly, Tehran and Manila denounced all kinds of terrorism in their communique. Referring to the progress of the peace talks between the Government of the Philippines and the Moro Liberation Front, the communique expressed the hope that measures should be taken to ensure the rights of Filipino Muslims in the same manner as those of all other Filipino citizens.

The Islamic Republic of Iran also proposed its willingness to assist in efforts for a just and noble solution in the southern Philippines.

President Hashemi-Rafsanjani left Manila for Bangladesh this morning, according to Tehran time, after a three-day stay in the Philippines. According to IRNA, President Hashemi-Rafsanjani was given an official send-off by the Philippines President Fidel Ramos.

The report said the two presidents expressed their satisfaction with their bilateral agreements and called for broadening Tehran-Manila relations.

Ramos Belittles Foreign Terrorist Threats

BK1010014895 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 9 Oct 95

[FBIS Translated Text] President Ramos has belittled threats to his life by foreign terrorists. According to Executive Secretary Ruben Torres, the president is worried but is not really paying attention to them. In fact, according to Torres, the president does not intend to abandon his plans to travel to the U.S in the middle of this month. Meanwhile, Senator Miriam Defensor-Santiago has criticized the threats to the president. According to Santiago the death threats have just been planted by Malacanang Press Office to create publicity.

Thailand

Minister Gets Information for Drug Probe

BK0610154795 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 6 Oct 95

[FBIS Translated Text] The foreign minister says he had more information supplied by the United States about [Thai] politicians reportedly involved in narcotics trafficking. M.R. Kasemsamoson Kasemsi says the information was given to him verbally by U.S. drug enforcement officials when he was in the United States to attend the UN General Assembly. However, he says he cannot reveal this information, nor can he say whether or not it can be used by the court. He will forward the information to the Public Hearing Committee.

[Begin recording, in progress] [Kasemsamoson] ... when the time comes.

[Unidentified reporter] What time?

[Kasemsamoson] Well, now we need time to put things in order because the information was given to me verbally.

[Reporter] Is it specifically about Watthana and Narong?

[Kasemsamoson] Well, wait for more news later on.

Further on Minister's Comments on Drug Charges

BK0710092995 Bangkok THE NATION in English 7 Oct 95 pp A1, A3

[Unattributed report]

[FBIS Transcribed Text] The United States has provided "verbal information" to back up its drug trafficking allegations against some Thai politicians, Foreign Minister MR [Mom Ratchawong — member of royal family] Kasemsamoson Kasemsi said yesterday.

Kasemsamoson said the drug information supplied by Washington was very detailed and informative but he also described it as "one-sided", and did not know whether it could be used in court. He also warned the public not to jump into any conclusions about the allegations.

The foreign minister declined to say what the information was, saying that he did not have the authority to do so, but said he would forward it, "if requested", to an inquiry commission set up by the government to investigate the allegations against Thai politicians.

"I have received some verbal information, not evidence, from the US authorities regarding the drug allegations against some Thai politicians," he said.

However, he noted that there was a question mark whether the information, could be used as evidence in court.

The information was given after he held talks with United States Secretary of State Warren Christopher and drug enforcement officials following a request from the Thai government.

Kasemsamoson, who met Christopher during his recent trip to attend the annual UN General Assembly, said that after his discussion with the US secretary of state, five other US officials met him at his hotel and related the information on the alleged drug trafficking to him.

The information focused on the US refusal to grant a entry visa for both Chat Thai members Watthana Atsawahem and Narong Wongwan.

"I want to stress that the information came from one side (the US) and it will be up to the Commission of Inquiry chaired by Khun Thanat (Khoman) to look into it. However, the foreign ministry will submit the information if the commission asks for it," Kasemsamoson said.

Kasemsamoson said he also discussed the recent verbal clashes between former foreign minister Thanat and US Charge d'Affaires Ralph Boyce with the US officials, and said both sides had expressed concern over the incident. He said the US had reiterated its stance that it does not recognize the inquiry commission and therefore could not cooperate with it.

Watthana's personal secretary Man Phatthanothai said yesterday that Watthana would on Monday submit a letter requesting that the commission looks into the US allegations against him.

Man said it was a good thing that the US had provided the information as now all the suspicion surrounding the politicians could be cleared up.

"We can then find out what led the US to their suspicions, such as, the dates when the heroin or marijuana was shipped, to whom it was sold, etc. Everything will then be cleared up," he said.

Man added that Watthana would ask the commission to publicize the US information.

Thep Thewakun, permanent secretary to the Foreign Ministry and a commission member, said the panel had discussed guidelines on how to proceed but it had yet to start its work.

Another commission member Charan Phakdithanakun, secretary- general of the Judicial Affairs Division, said the information from the US was a gesture that the commission was receiving cooperation from all the parties concerned.

Banyat Suchiwa, a former supreme court president and also a commission member, said yesterday that he did not know how long it would take the panel to look into the US allegations.

Officials Comment on U.S. Drug Information

BK0710135495 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 7 Oct 95

[FBIS Translated Text] Charan Phakdithanakun, member of the public hearing committee probing drug allegations, has commented on the report by the foreign minister that he had received information from the United States about the reported involvement of Thai politicians in drug trafficking. He said the procedure involved is that first the accused have to file an appeal; then a decision will be made whether an investigation can be made regarding the accused. Following this, information from the United States will be gathered and forwarded to the committee. The committee will meet on 20 October on this issue.

[Begin Charan recording] The committee will meet to decide on measures to be used to gather information and evidence. After 20 October we will know what the measures will be. [end recording]

Bunchu Trithong, a member of the Thoet Thai faction in the Chat Thai Party says it is the duty of the Office of Narcotics Control Board to coordinate with the Foreign Ministry, adding that the issue concerns the reputations of the individuals concerned, not the reputation of the party.

[Begin Bunchu recording] This matter has to do with the information obtained by the foreign minister, how air tight it is. If it is air tight, then the matter will be in the same category as that of Thanong Siriprichaphong. [end recording]

Deputy Prime Minister Thaksin Chinnawat says he does not know what information was obtained by the foreign minister. But he feels that any investigation by the panel is Thailand's business, not the United States'.

[Begin Thaksin recording] Recognition is not the point. We are not part of the U.S. judicial process, and the United States is not part of ours. It has to do with the United States making allegations against our people, which is why we want to have the information from the United States regarding its allegations to see if they are legitimate. If they are legitimate and criminal prosecution is possible, we will have to proceed with prosecutions. If they are not legitimate and amount to mere unsubstantiated assertions, then the issue will have to be cleared up. [end recording]

Man Phatthanothai, private secretary of Watthana Atsawahem, says he welcomes the information given by the United States about the involvement of Thai politicians in drug trafficking.

[Begin Man recording] This is so that we will know what the information says. What is good is that the public will know the reasons for the U.S. suspicions and whether Watthana can show they are not valid. For example, if the suspicion concerns the purchase of the shopping center in Mae Sai, we can try to clear that point. If the suspicion involves activities in a certain period, then we can explain accordingly. In this way the public can decide for itself if the explanation is acceptable.

[Unidentified reporter] What if we can explain the suspected activities, but the United States does not accept our explanation?

[Man] That should not be a problem because we will have explained the matter to the Thai people. [end recording]

Man said on Monday that Watthana will send his lawyer to supply more information to the public hearing panel.

Democrats Say Probe Panel Findings 'Meaningless'

BK0810105395 Bangkok THE SUNDAY POST in English 8 Oct 95 p 3

[Unattributed report]

[FBIS Transcribed Text] The so-called Public Hearings Committee has no judicial status and its findings will be meaningless, the Democrat Party said yesterday.

Neither Americans nor Thais trust the panel, set up to look into American allegations of drugs trafficking against two senior Chat Thai figures, the party's executive committee said.

Trairong Suwannakhiri, a senior Democrat, said:

"How can we count on an investigation by a committee that is not neutral? No matter what its conclusion, nobody can count on it."

The panel was set up by Prime Minister Banhan Sinlapaacha to specifically look into the charges against Chat Thai deputy leader Watthana Atsawahem and Narong Wongwan.

Mr Trairong was thought to be responding to Foreign Minister Kasemsamoson Kasemsi's revelation that America had given him evidence of the alleged involvement of Thai politicians in drugs trafficking.

Asked if America would accept the panel's findings, M.R. Kasemsamoson said that was America's business but Thailand had to do its duty.

Mr Trairong said if Mr Banhan believed Mr Narong and Mr Watthana to be innocent, he should give them ministerial posts.

But Surin Phitsuwan, another Democrat executive, said it did not matter what America thought of the committee because it is Thailand's business.

The details given to M.R. Kasemsamoson will clarify matters to a certain extent.

Democrat deputy leader Suthat Ngoenmun said the minister should make public the evidence he was given by US Secretary of State Warren Christopher and Drug Enforcement Administration officials.

Mr Suthat said America had as much right to reject the panel as to refuse visas to suspected drugs traffickers.

Former foreign minister Prasong Sunsiri said the panel, chaired by Thanat Khoman, lacked the legal status to request details from America. This had to be done at a state-to-state level.

But by passing on the evidence, America was showing it had sufficient evidence to support the allegations.

Mr Banhan said the issue will not be raised in the Cabinet on Tuesday as he has yet to discuss it with M.R. Kasemsamoson and see the evidence.

Panel Members, Watthana Aide Comment on Work

BK0810150995 Bangkok NAEO NA in Thai 8 Oct 95 pp 1, 6

[Unattributed report]

[FBIS Translated Excerpt] Prasit Khowilaikun, spokesman for the public hearing committee for finding a solution to U.S. drug trafficking allegations against Thai politicians, spoke to newsmen on 7 October about the United States not recognizing the committee's status. He said that the United States not recognizing the committee is not unusual, and nothing can be done about it. He said the two countries are engaging in a dispute. His committee will continue to work by gathering information that is available locally.

Prasit said that interference in the committee has been charged by politicians, but the facts say otherwise. The committee is independent and is under no one's influence.

Meanwhile, Charan Phakdithanakun, a member of the same committee, said his panel has no reason to seek the recognition of another country since this is Thailand's internal affair. There is nothing in international law that requires such a panel to be recognized by another country.

Charan said: "We do not need recognition by the United States because Thailand is not a U.S. state. We do not want a Thai society that is easily duped by rumors. I think it is time the press asks itself what it wants to convey to people. By attacking the panel, does it want people to believe that the U.S. allegation about Thais being narcotics traffickers is true? I have not seen any politician or anyone applying pressure on the panel thus far. The only people who have criticized the panel have been members of the mass media. Panel members are affected by the current created by the media as well. I think it is better for the media to wait and see performance of the panel."

Charan said the panel's work is currently at a stage in which it is waiting for the accused to appeal. We should know how many people will appeal by 20 October. The people who are eligible to file appeals are those who are victims of foreign allegations. Cases that can be processed in the judicial system or cases that are already final cannot be appealed, such as the case of Thanong Siriprichaphong.

Man Phatthanothai, private secretary of Watthana Atsawahem, said he will file an appeal with the panel on 9 October. The appeal will consist of three pages of documents and two publications, including a document on the purchase of the Mae Sai Golden Hotel in Chiang Rai Province, in order to clear up any doubts on the part of the United States.

Asked by newsmen if the panel's investigation will be useless if the United States does not recognize the panel, Man said: We do not care if the United States recognizes the outcome of the panel's investigation; we only care what the Thai people think. If the United States accepts the outcome, it could lift the visa ban on Watthana. If the doubts persist, it could retain the visa ban. He said Watthana has continuously fought the allegation and must make use of an opportunity provided by the panel to prove himself. [passage omitted]

Thaksin Opposes Banhan Idea To Speak to Clinton

BK0910050795 Bangkok THE NATION in English 9 Oct 95 p A6

[Unattributed report]

[FBIS Transcribed Text] Deputy Prime Minister Thaksin Chinnawat said yesterday he did not think the prime minister should ask U.S. President Bill Clinton for information about the drug allegations against some Thai politicians when they meet at the UN later this month.

Thaksin pointed out that U.S. officials had already given Foreign Minister Kasem Samosonkasemsri information when he was in the United States earlier this month.

"I think it is enough to let the matter be handled by the respective foreign ministers. It is not necessary for both leaders to bring up the topic as well," Thaksin told reporters.

Prime Minister Banhan Sinlapa-acha and other world leaders are scheduled to attend the 50th anniversary of the United Nations in New York.

Kasem said recently he had received "verbal information" from U.S. authorities concerning the drug allegations against Thai politicians who had been refused entry visas to the United States.

Thaksin said that it doesn't matter if the United States accepts the Banhan-appointed Commission of Inquiry, chaired by former Foreign Minister Thanat Khoman.

"The commission has to try its best to gather as much information as possible so that the whole matter can be cleared up once and for all. If any politician is found guilty, legal action must be taken against them," Thaksin said.

He said the fact that the United States does not recognize Thanat's commission should not affect relations between the two countries.

Watthana Asks Panel To Study Allegations

BK1010044095 Bangkok BANGKOK POST in English 10 Oct 95 p 7

[Unattributed report]

[FBIS Transcribed Text] Chat Thai Party deputy leader Watthana Atsawahem has requested that the government-sponsored Thanat panel look at the drug allegations made against him by the United States and determine if that country has acted responsibly on the matter.

Mr Watthana yesterday submitted his request to the Public Hearing Committee investigating the drug allegations which he maintained had damaged the reputation of both himself and his family as well as cost him a cabinet portfolio.

Mr Watthana and Chat Thai's Thoet Thai faction leader Narong Wongwan, neither of whom were given a cabinet seat in the Banhan Silapa-acha government, were denied entry visas to the United States on suspicion that they had links to the drug trade.

In his letter, presented to the committee chaired by former Foreign Minister Thanat Khoman, Mr Watthana said the United States refused to issue him a visa in June, 1994.

"But the United States had done so without considering that the information could intentionally have been leaked," he said.

Some ill-minded people, Mr Watthana claimed, happened to learn about the visa ban and faxed the information to the media to publicly disgrace him since he was then a member of the opposition that was about to censure the Chuan Likphai administration.

He said former Foreign Minister Prasong Sunsiri, who was a target of the censure motion, had even brought before Parliament a memo which the minister claimed provided the reasons for the visa ban.

The memo accused him of having dealt in drugs for over 20 years and making a huge profit from the illegal activity.

Mr Watthana said the information lacked substantial evidence and was totally fabricated.

The drug allegations were made to look even more solid after the July 2 general election when U.S. Department of State Spokesman Nicholas Burns stated that Thai-U.S. relations may be affected if politicians denied U.S. entry visas were appointed as ministers in the new government, according to Mr Watthana.

Mr Watthana said Mr Burns had later stressed that the United States would not issue visas to politicians it believed were involved in the international drug trade and who looked likely to be given a cabinet seat.

The spokesman also refused to deny that the politician being referred to was Watthana Atsawahem, he said.

Mr Watthana asked the Thanat panel, set up by the government last month, to find facts on five points concerning whether the United States had clear evidence to prove his alleged guilt and how responsible that country would be if he suffered damages.

Mr Watthana requested the committee look into the following questions:

— Did the United States intend to leak the information about the visa ban by sending it to the Foreign Ministry or was it asked by the ministry to do so?

— Did the United States have strong evidence to substantiate its drug allegations which were cited as the reason for not granting him a visa? If so, to what degree was the United States responsible for exposing that evidence to Thai society?

— Did the U.S. Government provide documents or evidence about the drug claims to the Foreign Ministry after a meeting between Sqn Ldr [Squadron Leader] Prasong and the U.S. ambassador? Was there information indicating that he has been involved in drugs for over 20 years and that he has made a lot of money from it?

— Will the United States take responsibility for Mr Burns' statement that it was not satisfied with the likely appointment of a politician as a minister after that person had been denied a visa? Does the United States realise it has interfered in Thailand's internal affairs?

How much does the United States care about the damages that the accused might suffer if the allegations are proven to be groundless since they have affected his individual human rights which the United States maintains it firmly upholds?

— Did the United States see the major reason for the visa ban as being the fact that he had bought the Mae Sai Golden Shopping Plaza from Suphachai Tangkitphithakphon, who is a convicted drug trafficker now serving time in a U.S. prison? Based on the Racketeer Influenced and Corrupt Organisation Act of 1970 (RICO), did the United States presume he was involved in firms that were connected with the drug trade?

Mr Watthana denied that he had known Mr Suphachai previously.

He asked the Thanat panel to prove his innocence because he wanted to fight for the Thai people after what the United States had done to him.

Deputy Prime Minister Amnuai Wirawan, who supervises the Foreign Ministry, said the investigation by the Thanat panel was an internal affair which did not require acceptance by the United States.

There has been speculation about whether or not the United States will recognise the committee and the results of its investigation.

However, Mr Amnuai said the committee would not judge who was right or wrong.

Official Request To Be Made on Drug Charges

BK1010052595 Bangkok THAILAND TIMES in English 10 Oct 95 p A1

[Unattributed report]

[FBIS Transcribed Text] Bangkok — The government plans to officially request for information related to the drug charges made by the United States against certain

Thai politicians, Prime Minister Banhan Sinlapa-acha said yesterday.

"The government has to make an official request on its own," said Banhan.

Mr Kasemsamoson claimed last week, after arriving from New York where he attend the United Nations General Assembly, that he has obtained verbal information regarding the Thai politicians' involvement in drug trade during his discussion with U.S. Secretary of State Warren Christopher.

Asked when an official letter will be submitted, Banhan said he would discuss the matter first with the foreign minister and the government-appointed Public Hearings Committee headed by former Foreign Minister Thanat Khoman before making a decision.

It has been speculated that Banhan is going to submit the official request for information directly to U.S. President Bill Clinton during his visit to the upcoming UN conference later this month.

With regards to reports that the Public Hearings Committee remains unrecognized by the United States, Banhan said, "Where did they obtain the news? I don't think so." "Kasemsamoson and U.S. officials never said that the committee was unrecognized," he added.

Deputy Prime Minister Amnuai Wirawan yesterday shrugged off reports of United States do not recognize the Public Hearings Committee, saying that the Foreign Ministry and the Thai Government never had any idea whether the committee was recognized by the United States or not. "It is our country's internal issue," added Amnuai.

The deputy prime minister said a verbal information obtained from the United States carries no weight, however, the foreign minister still has to report the information directly to the committee.

Meanwhile, a Chat Phatthana MP yesterday blasted Deputy Prime Minister Thaksin Chinnawat for his opposition to Banhan's plan to request for drug information from the United States.

Chat Thai Party deputy leader Watthana Atsawahem yesterday submitted a set of documents to the Public Hearings Committee to defend himself from the drug allegations made by the United States.

Watthana claimed in the letter that the U.S. charges against him must be related to the arrest of Suphachai Tangkitphithakphon, a shareholder of the Mea Sai Golden Shopping Plaza, located in Mae Sai district in Chiang Rai, which he (Watthana) bought. Suphachai was arrested in Hong Kong and jailed in the United States for drug trafficking.

Prominent Member To Quit Drug Panel

BK1010053395 Bangkok THE NATION in English 10 Oct 95 pp A1, A2

[Report by Ophat Bunlom]

[FBIS Transcribed Text] A prominent member of the Commission of Inquiry has decided to resign from the controversial panel, a move which will deal a heavy blow to the credibility of the government's efforts to clear up U.S. drug allegations against Thai politicians.

A well-informed source said Banyat Suchiwa, a former Supreme Court president, would tender his resignation to former Foreign Minister Thanat Khoman, the commission's chairman, at a meeting on Oct 20.

"Banyat considers the commission has been set up for political purposes, and not in the interests of the country," the source said.

But Banyat yesterday would not confirm the report, saying "you should wait and see on Oct 20".

The Banhan administration last month established the commission to look into the U.S. drug charges against Thai politicians, including Chat Thai Party executives Narong Wongwan and Watthana Atsawahem.

Banyat has been assigned by the commission to head a sub-committee drafting the commission's working scope and regulations.

Other members of the 12-person commission include Police Director-General Phot Bunyachinda, Secretary-General of the National Security Council Gen Charan Kunlawanit and anti-narcotics police chief Pol Lt Gen [Police Lieutenant general] Somchai Milinthrangkun.

The government has claimed that the commission would provide "justice" to Thai citizens who were accused groundlessly.

But opposition members, particularly the Democrats, have strongly criticized the panel, saying it was set up to help Chat Thai adviser Narong and party deputy leader Watthana.

Both Narong and Watthana were denied ministerial seats in the Banhan administration because of the charges. Prime Minister Banhan Sinlapa-acha has vowed to give them portfolios once they clear their names.

In 1992, Narong was deprived of the chance to become prime minister when a U.S. spokeswoman, in response to a question, confirmed that Narong was denied a visa to that country on the basis of alleged links to drug traffickers.

Narong then led the now-defunct, pro-military Samakkhi Tham Party, which won the most seats in March 1992.

Last year, the U.S. Embassy in Bangkok issued a statement claiming that Watthana requested a visa and was refused because Washington had reasons to believe that he had links with drug traffickers.

On Friday, after a trip to the United States, Foreign Minister Kasemsamoson Kasemsi said he had held talks with U.S. Secretary of State Warren Christopher and U.S. drug enforcement authorities.

He said they gave him "verbal evidence" on the allegations against Thai politicians, although they hinted that they would not accept the findings of the commission.

But Premier Banhan said yesterday he did not believe the United States would not accept the results of the investigation. He claimed that Kasemsamoson was misquoted by the media.

The prime minister said the government would formally ask for information from Washington. However, he said he would consult Kasemsamoson and the inquiry commission before doing so.

"Kasemsamoson did not ask for evidence. To obtain evidence, the government must officially ask the United States for it," Banhan said.

Watthana yesterday submitted documents to the Office of the Narcotics Control Board (ONCB) in a bid to clear his name of the U.S. allegations, a senior official said.

Thiraphat Santimethanidon, director of the ONCB's Policy and Planning Division, said many of the documents contain no more than what has already appeared in the media.

Copies of the documents will be submitted to members of the government-appointed inquiry commission, Thiraphat said.

Thiraphat received the material on behalf of ONCB Secretary- General Pricha Champarat — along with Watthana's petition for justice — from a man who said he represented Watthana.

Pricha is secretary of the commission. Watthana has publicly denied the U.S. allegations.

Thiraphat said he did not know whether Narong, shadowed by the same U.S. accusation, had already submitted similar documents.

Deputy Prime Minister Amnuai Wirawan said there would be no problem if the United States discards the panel's conclusions since resolving the politicians' guilt or innocence is "purely a domestic affair" and diplomatic access is "always viable".

Amnuai said the "verbal information" about the allegations Washington gave last week to Foreign Minister Kasemsamoson could not be regarded as "very substantial evidence", but it was the Foreign Ministry's responsibility to share it with the commission.

Amnuai noted that the commission's members are not judges. "They are only compiling the information to present to the government. They would not judge who is right and who is wrong, but at least they could make clear all the information involved," he said.

Sophon Phetsawang (Chat Patthana-Buri Ram) said he agreed with Banhan's plan to meet U.S. President Bill Clinton during his visit to the United States later this month.

Sophon said it was inappropriate for Deputy Prime Minister Thaksin Chinnawat to object to Banhan's possible choice of topics for discussion with Clinton.

"I don't know what Thaksin's objection is based on. Maybe he's afraid more politicians will be found to be involved in this drug business."

Banhan To Hold Interior Post for Narong

BK0910050595 Bangkok THE NATION in English 9 Oct 95 p A6

[Unattributed report]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha is to continue as interior minister until Thoet Thai faction leader Narong Wongwan clears himself of U.S. drug allegations, a source close to Banhan said yesterday.

Banhan, Chat Thai Party leader, reportedly met Narong, head of the faction within his party, to clear up the situation over the interior post and to get a promise for an end to infighting among Thoet Thai members.

The source, who asked not to be named, confirmed that the only person who could succeed Banhan as interior minister is Narong, even though he was defeated in the last general election.

"Prime Minister Banhan has personally admitted that the interior portfolio belongs to Narong. This is part of a preelection agreement to prevent the Thoet Thai faction from defecting," the source said.

Chat Thai Secretary-General Sno Thianthong and deputy Chat Thai leader Watthana Atsawahem, who has also been accused by the United States of having connections to drug traffickers, have also set their sights on the interior post.

The source said that after the July 2 election, Phalang Tham leader Thaksin Chinnawat tried to get the powerful portfolio, but Narong put an end to his attempts.

Any chance of Thaksin grabbing the post in the future is slim, as it would upset the Social Action Party, which has almost the same number of MP's as the PDP [Phalang Tham Party], observers have said.

Banhan met Narong recently to discuss the pressure from Thoet Thai for the prime minister to relinquish the interior portfolio, the source said.

"Narong told Banhan he wanted the prime minister to remain as interior minister until Narong could clear his name. Narong also made it clear that he did not intend to let anyone else have the post," the source said.

Narong has also individually instructed Thoet Thai members to stop pressuring Banhan to give up the interior post, the source said.

"All Thoet Thai members have been told that Banhan is to continue as the interior minister with Narong's consent," the source said.

Thaksin recently said Banhan should reshuffle his Cabinet to boost the public's confidence in the coalition.

The source said Banhan warned Thaksin not to make such comments in public in the future.

Minister To Distance Military From Politics

BK0710094995 Bangkok THE NATION in English 7 Oct 95 p A1

[Unattributed report]

[FBIS Transcribed Text] Defence Minister Chawalit Yongchaiyut yesterday confirmed his highly controversial plan to revamp military rules to prevent political appointees from meddling in armed forces' reshuffles, and to make military intelligence units immune to abuse by serving politicians.

Chawalit's idea is seen as most ironic given the fact that the New Aspiration Party leader himself was accused of radically interfering in the latest military reshuffle. He was said to be behind the rise of his confidant, Gen Pramon Phalasin, to the top Army post, a stunning surprise described as the most serious political intervention in military promotions in a decade.

Chawalit, who is also deputy prime minister, said yesterday he had instructed the Judge Advocate General's Department to look into regulations on reshuffles.

"I want to confine the defence minister's duty to only supervising policies and budgets," Chawalit said.

Observers expect a chorus of criticism against Chawalit's plan. After the latest reshuffle Chawalit was accused of trying to build his political base in the military, but now critics are likely to charge him with trying to fortify that "stronghold" against other politicians.

Defending his idea, Chawalit said he simply wanted to distance the military from politics.

"If there is to be any political upheaval, it should be engineered by the people and political institutions. I'm trying to draw a new line for the military. This is not an attempt to bar soldiers completely from politics. All I'm doing is making soldiers a supportive factor of politics," he said.

The former Army chief, who quit that position in 1990 to enter politics, claimed that many people "are very concerned" that the business of politicians and soldiers have been so intertwined.

"My idea is to make the military become independent of Thai politics and concentrate on its role of defending the country against external enemies," he said.

On the intelligence affair, Chawalit said the National Intelligence Agency had served individual politicians in the government rather than serving the nation. He said his policy of separating the military from politics would "correct that".

The alleged bid behind Pramon's promotion is just one of such controversies involving Chawalit. In 1993, when serving as interior minister, he triggered a major uproar in the Police Department by seconding its chief, Pol Gen [Police General] Sawat Amonwiwat, to the Interior Ministry. Border patrol police staged noisy protests, while the Police Commission came out in Sawat's defence, saying the minister was not empowered by law to dismiss the police chief.

Chawalit switched his strategy and instead put Sawat under investigation for the latter's apparent blunder in allowing details of a US newspaper report about a Royal Family member to appear in a police order banning the publication. After Sawat was granted royal clemency, another lese majeste case against the embattled officer emerged.

Chawalit has always countered charges that he abused his power and practised blatant nepotism by claiming that those wrongdoings were easier to commit when he controlled troops and tanks in the late 1980s. When he decided to resign as Army chief and enter politics in early 1990, Chawalit said, many people asked him to think twice.

"They say there are 49 ministers, while there is only one Army commander-in-chief. But I don't think that way," he once said.

MP Criticizes Chawalit for Shielding Military

BK0810104295 Bangkok THE SUNDAY NATION in English 8 Oct 95 p A2

[Unattributed report]

[FBIS Transcribed Text] Defence Minister Chawalit Yongchaiyut's plan to lay down a set of guidelines to prevent political interference in military affairs was motivated by his ambition to become prime minister, an opposition MP said yesterday.

Suphat Thammaphet (Democrat-Phatthalung) said Chawalit, whom he accused of "high-handed" interference in the recent military reshuffle, wants to prevent other politicians from influencing the military now that he has his confidant in as the new Army commander-in-chief.

"Gen Chawalit may think he has succeeded in his desire to control the Army. But he could be wrong. There are officers who don't like him," Suphat said.

He said he believed Chawalit wanted to become the next prime minister and that explained why he had made major changes in the Army reshuffle list which came into effect on Oct 1.

Chawalit was said to be behind the rise of his confidant, Gen Pramon Phalasin, to the top Army post, described as the most serious political intervention in military promotions for a decade.

On Friday, Chawalit, who is also deputy prime minister, said he had instructed the Judge Advocate General's Department to look into the regulations on reshuffles to make sure they would be free from political interference.

He said he wanted to confine the defence minister's duty to only supervising policies and budgets.

Chawalit Reshuffle Change Seen as Boost to Unity

BK0910060595 Bangkok BANGKOK POST in English 9 Oct 95 p 3

[Uattributed report]

[FBIS Transcribed Text] Leading figures from Chunlachomklao Military Academy Class 8 say Defence Minister Gen [General] Chawalit Yongchaiyut's decision to make changes in last month's Army-proposed reshuffle list helped restore unity in the Army.

Several generals from the class who gathered at a party said the defence minister should be given credit for initiating changes to the lists proposed by former Army commander Gen Wimon Wongwanit.

"Gen Chawalit has a lot of military experience and knows how to help restore unity in the Army."

"The defence minister has allied himself with senior Army officers from several classes and, behind the scenes, is seeking their promotion to the top five Army positions," said a general from the class.

During the reshuffle, Gen Chawalit changed Gen Wimon's proposals by naming Gen Pramon Phalasin as Army commander-in-chief and moved Gen Phaibun Iamphan, who was selected by Gen Wimon to become his successor, to the Defence Ministry as permanent secretary.

Gen Wimon also sought the promotion of former First Army Region Commander Gen Chainarong Nunphakdi, a leading member from Class 11 to assistant Army commander.

However, the defence minister opposed the move and promoted Gen Bandit Malai-arisun, a Class 8 graduate, to assistant commander instead.

"Even Gen Bandit himself was surprised at his promotion as there was no sign beforehand," said a class member.

Another leading member of the class said:

"Gen Wimon has tried to promote his loyalists to the top five positions but the defence minister stalled the move and sought promotion of officers from other classes. He knew this would create unity in the Army.

"The top five positions now are under the control of officers from five different classes. For the past several years, the top five positions were dominated by officers from Class 5 or their loyalists in the Army," said another member from the class.

Leading members of Class 8 include Supreme Command Deputy Commander Gen Watthana Sanphanit, Supreme Command Deputy Chief-of- Staff Gen Oraphan Watthanaphibun, Assistant Army Commander Gen Bandit Malai-arisun, Third Army Region Commander Gen Surachet Detchatwong and Army Adviser Gen Kitti Rattanachaya.

Army Commander-in-Chief Gen Pramon is a graduate of Class 6, while Army Chief-of-Staff Gen Suthep Siwara is a member of Class 5.

New deputy commander Gen Bandit is a member of Class 8 and his counterpart Gen Thawan Sawangphan is from Class 7. Deputy Army Commander Gen Chetha Thanacharo is from Class 9.

Power-play in the Army during the past decade stalled promotion of officers from Class 8 and several senior officers in the class were shifted to inactive posts, according to the class senior member.

One Class 8 member also criticised Gen Wimon for promoting Gen Chetha to deputy army commander, claiming Gen Suthep, who will retire next year, is more senior and should have got the post instead.

"It's a pity that the minister has not made a change on Gen Chetha's promotion," the general said.

The officer said the minister should be applauded for not promoting Gen Chainarong to one of the top five posts.

Several Class 8 members including Supreme Command Deputy Commanders Gen Watthana and Gen Oraphan had close military ties with Gen Chawalit when he was still in the Army.

"You should keep a close watch on Gen Watthana as he will retire in 1999 and is known to have worked closely with the minister for decades," the officer said.

All senior military officers including Supreme Commander Gen Wirot Saengsanit, Defence Permanent Secretary Gen Phaibun and Army Commander Gen Pramon are due to retire next year.

About 50 members from Class 8 joined the party yesterday which saw the election of Gen Bandit as class chairman.

Former Supreme Commander Gen Watthanachai Wutthisiri had moved Gen Watthana to an inactive post during last month's reshuffle but the defence minister had overridden Gen Watthanachai's decision and promoted Gen Watthana to armed forces deputy commander, according to a political source.

"Gen Watthana's promotion has surprised us all. We'd not expected that members of our class would get promotion to top military posts during the reshuffle," said another leading Class 8 member.

During yesterday's party, former Fourth Army Commander Gen Kitti Rattanachaya took the opportunity to promote his first book: "Extinguishing the Southern Fire With the Communist Party of Malaya." [CPM]

Gen Kitti, who gave the books to his former classmates, played a key role as coordinator during truce talks between the CPM and the Malaysian government in 1989.

"I hope the book will create more public understanding of the southern issue," Gen Kitti said.

The CPM and Malaysia signed a peace agreement on December 2, 1989 in southern Thailand through which the outlawed communists decided to cease their armed struggle against the Malaysian Government.

Vietnam

Foreign Minister Meets With Christopher in U.S.

BK0710132595 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 5 Oct 95

[FBIS Translated Text] Foreign Minister Nguyen Manh Cam met in Washington yesterday with U.S. Secretary of State Warren Christopher. Also attending the meeting were Vietnamese Trade Minister Le Van Triet and Charge d'Affaires Le Van Bang. On the American side were Under Secretary Peter Tarnoff; Assistant Secretary of State Winston Lord; and Larson, deputy assistant in charge of economic affairs. On the same day, Foreign Minister Nguyen Manh Cam and Trade Minister Le Van Triet held a working meeting with National Security Adviser Anthony Lake at the White House.

The meetings were held in a frank and constructive atmosphere. The two sides reviewed recent concrete developments in relations between the two countries since the normalization of relations, such as the establishment of embassies which have started operations in the two capitals, the increasing pace of trade activities and U.S. investment in Vietnam, the continued cooperation on the issue of U.S. servicemen missing in action, and other humanitarian issues left over from the war. The two sides agreed that reality has proven that the normalization of relations between the two countries was a correct step that has contributed to peace and stability in Southeast Asia.

Regarding the future of U.S.-Vietnam relations, the two sides agreed that the core issues should be economic and trade relations. It is necessary to reach a trade agreement to develop these relations in a stable and steady environment. The two sides confirmed their determination to reach such an agreement at the earliest possible time.

Foreign Minister Nguyen Manh Cam, Trade Minister Le Van Triet, and a number of cadres from other ministries and sectors are paying a visit at the invitation of the American side to attend a conference on the normalization of U.S.-Vietnamese economic relations.

Ends Visit; Departs

BK0910161095 Hanoi VNA in English 1505 GMT 9 Oct 95

[FBIS Transcribed Text] Hanoi VNA Oct. 9 — A delegation of Vietnam headed by Foreign Minister Nguyen Manh Cam paid a working visit to Washington from Oct. 2-6 to attend a conference on normalisation of the U.S.-Vietnam economic relation and forthcoming steps.

While in Washington, the Vietnamese delegation met with Secretary of State Warren Christopher, National Security Council Advisor Anthony Lake, and U.S Trade Representative Mickey Kantor. Apart from participating in the conference, the delegation had working sessions with senior officials of U.S. and sectors involved in external economic cooperation, including President of the Overseas Private Investment Corporation (OPIC) Ms. Ruth Harkin, and President of the Export-Import Bank (EXIMBANK) Mr. Kenneth Brody.

This was the first exchange of views between representatives of the two governments on specific issues relating to the process of normalisation of economic ties between the U.S. and Vietnam, which has been considered by both sides the key for the past-normalisation period. Several rounds of negotiations are scheduled to be held before the two sides sit down for official talks.

The Vietnamese delegation left Washington for home on Oct. 8.

U.S. Officials Boost Agricultural Cooperation

BK0710100595 Hanoi VNA in English 0628 GMT 7 Oct 95

[FBIS Transcribed Text] Hanoi VNA October 7 — The US wishes to boost its cooperative ties in agricultural sector with Vietnam, stated senior officials of the US Department of Agriculture headed by Deputy Secretary Richard Rominger during their Sept.30-Oct.3 working visit to Vietnam.

The US officials held talks with officials of the Ministry of Agriculture and Food Industry discussing a programme on cooperation in agriculture and farm produce processing. They also worked with the Ministry of Trade and visited agricultural units nearby Hanoi.

Iranian President Rafsanjani Continues Visit

Received by President Le Duc Anh

BK0710151895 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 5 Oct 95

[FBIS Translated Text] Shortly after his arrival in Hanoi, President Rafsanjani and his entourage were received by President Le Duc Anh. At the reception, President Rafsanjani expressed delight at the opportunity he had of visiting Vietnam, a place of revolution and aspiration, since for a long time the term Vietnam has been very close to the hearts of the Iranian people and has been a symbol of bravery and determination. The president firmly believed that the people of Vietnam, who were once successful in their glorious struggle for national independence and freedom, would certainly be successful again in the national construction undertaking.

President Le Duc Anh welcomed the visit by the president, considering it a manifestation of the time-tested friendly relations between the two countries. The president stressed that the Vietnamese people always follow closely the struggle and the national development undertaking of the Iranian people, and are happy at the achievements the Iranian people have recorded in the recent past. On this occasion, the president sincerely thanked the state and people of Iran for their valuable support, both past and present, for national construction and defense.

In the afternoon at the Presidential Palace, President Le Duc Anh held talks with Iranian President Akbar Hashemi Rafsanjani. President Le Duc Anh heartily welcomed President Rafsanjani, his wife, and the other Iranian guests who are paying an official visit to Vietnam, considering the visit a vivid indication of the fine, friendly relations between the two countries, and an opportunity for creating a new, solid foundation for further development and expansion of the relations.

President Le Duc Anh informed his guests of the new achievements of the Vietnamese people in the comprehensive renovation and the pursuit of a self-determined, diversified, and multilateralized foreign policy. He also confirmed the determination of our people to develop self-reliant, self-sufficient spirits in continuing the renovation process for the sake of a prosperous people, a strong country, and an equitable and advanced society.

President Le Duc Anh reaffirmed Vietnam's wish to consolidate friendly cooperative relations with all countries in the world community ,including Iran, on the basis of mutual respect, noninterference in each other's internal affairs, equality, mutual benefit, and cooperation in the struggle for peace, independence, and development.

The president hailed the important achievements recorded by the Iranian people under the leadership of Islamic Revolution Leader Khamene'i and President Rafsanjani in undertaking the consolidation of national independence and national development, for the cause of the common struggle for peace, stability, cooperation, and development.

President Rafsanjani expressed his delight at being able to visit Vietnam, a country of revolution and of a self-determined spirit in the struggle for independence, freedom, and happiness for the people. The president sincerely thanked President Le Duc Anh and the people of Vietnam for the warm reception. He highly valued the achievements recorded by the Vietnamese people in the national liberation undertaking, as well as in the comprehensive renovation, construction, and development of the country. President Rafsanjani warmly welcomed Vietnam's becoming an official member of ASEAN, and Vietnam's steady progress in integrating into the regional and world community.

President Rafsanjani also described the situation in Iran in all fields, and the main achievements recorded in the socioeconomic reforms and national construction. The president was happy about the continual development of Vietnam-Iran relations, considering it an important contribution to the consolidation and strengthening of bilateral relations in all fields. He confirmed that Iran wishes to develop the friendly, cooperative, and multifaceted relations with Vietnam, and is ready to participate in the reconstruction and socioeconomic development of Vietnam.

The two sides also discussed concrete measures to further boost the multifaceted relations between Vietnam and Iran, especially in the economic and trade areas, to bring these economic relations to the same level as the fine political relations, for the interests of the two peoples, and for the peace, independence, cooperation, and development of the two regions and the world. The two sides also exchanged views on regional and international issues of common concern.

The meeting was conducted in a friendly and mutually understanding atmosphere.

Addresses 5 Oct Banquet

BK1010104095 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 5 Oct 95

[FBIS Translated Text] President Le Duc Anh and his wife held a grand banquet at the presidential palace this evening in honor of President Hashemi-Rafsanjani, his wife, and other distinguished Iranian guests.

President Le Duc Anh's banquet speech reads in part as follows:

On behalf of the SRV state and people, I warmly welcome your excellency the president, Madam Rafsanjani, and other distinguished guests from the beautiful country of Iran, who are now on an official friendship visit to Vietnam to bring the Vietnamese people the heartfelt sentiments of the Iranian people.

The peoples of Iran and Vietnam have a tradition of closeness in the struggle to regain and defend their national independence.

The Vietnamese people highly value the many great achievements of the Iranian people in the cause of protecting their national independence, in building a prosperous country, and in making active contributions to the worldwide struggle for peace, cooperation, and development.

The May 1994 visit to Iran left me and my entourage with fine and profound impressions of Iran and its people, who are noted for their hospitality, and of the warm sentiments that your excellency the president, other leaders, and the people of Iran reserved for our delegation during its visit.

I am convinced that your excellency the president's visit to Vietnam will create new prospects and will spur efforts to strengthen and develop the existing fine bilateral relations of friendship and cooperation for the mutual benefit of our two nations and in proportion with the potential of the two sides.

Iranian President 'Ali Akbar Hashemi-Rafsanjani delivered a speech in reply, in which he said: The relations between the Islamic Republic of Iran and the SRV have always been marked by important events, for the two countries have shared the same revolutionary undertaking and struggle against foreign aggression and other foreign ruling forces. We admire the great efforts of the Vietnamese Government and people in the cause of national reconstruction and socioeconomic development.

I would like to announce that the Islamic Republic of Iran is ready to make its contributions to the cause of national reconstruction and socioeconomic development in Vietnam.

The visit to Iran last year of your excellency the president opened up a new chapter in the history of relations between our two countries. During that visit, officials and experts of the two countries had many contacts. The follow-up to such visits will play an important role in the strengthening and promotion of all aspects of our bilateral relations.

I would like to express my congratulations regarding the fact that Vietnam has become an official ASEAN member. The current world situation requires Third World countries and developing countries—particularly those member countries of the Nonaligned Movement—to further strengthen their cooperative relations. Today, as new economic and political centers are forming, the cooperation between ASEAN and the Economic Cooperation Organization will be of decisive significance. In addition to our bilateral ties, our two countries have also sided with one another in various world organizations and forums.

Once again, I would like to express my gratitude for your excellency's sincere hospitality. May your excellency be blessed with good health and the Vietnamese people with happiness and prosperity.

Says PRC Nuclear Deal 'Valid'

LD0610153695 Tehran IRNA in English 1521 GMT 6 Oct 95

[FBIS Transcribed Text] Hanoi, Oct. 6, IRNA — Iran's President Hojjat ol-Eslam Akbar Hashemi-Rafsanjani said here Friday that a nuclear cooperation agreement between Iran and China continued to be valid. He said the Americans' suggestion of its having been cancelled indicated only their misinformation.

In an interview with reporters here today he said based on a previous agreement between Iran and China the Islamic Republic was to erect a nuclear power plant in Darkhoveyn of Iran, the project later having been decided to be carried out in Bushehr port of Iran.

President Rafsanjani said talks with the Chinese over the new site of the project in Iran still continued pending an eventual agreement on that.

The Iranian president also said that Iran and Vietnam had agreed to cooperate in the area of trade, and investment on technical and industrial projects. He said Iran would buy rice, natural rubber, and tea from Vietnam and sell a number of factories to that country. According to President Rafsanjani Iran is also to cooperate with Vietnam for erecting a joint refinery and for prospecting for bauxite and phosphate.

President Rafsanjani said in response to a question by a reporter that Iran had taken big strides for industrial and technological self-sufficiency as a result of which, he said, sanctions against Iran by Washington had failed to bring the United States the results that it wishfully expected.

Meets Prime Minister Vo Van Kiet

LD0610165795 Tehran IRNA in English 1556 GMT 6 Oct 95

[FBIS Transcribed Text] Hanoi, Vietnam, Oct 6 (IRNA) — Vietnam's Prime Minister Vo Van Kiet told visiting President of Iran Hojjat ol-Eslam Akbar Hashemi-Rafsanjani here Friday that the people and government of Vietnam expected that the visit to Hanoi of the Iranian president would finalize previous cooperation agreements between the two countries.

He said his government placed an emphasis on relations with Iran, and looked forward to benefiting from Iran's cooperation with Vietnam on a number of petrochemical, industrial, oil, agricultural, telecommunication, and hydroelectric power plant projects as well as with the development of cement factories which, he said, it had started over the past few years.

The Iranian president said in response that the people and government of Iran were particularly interested in the people of Vietnam due to their long history of liberation struggle. He said the current visit to Hanoi of an Iranian delegation which he headed would be a turning point in relations between the two countries which, he said, would expectably identify the ways and means for carrying out previous agreements between the two countries.

President Rafsanjani said Iran had excellent experience with dam building, hydroelectric power plants, telecommunications, road building, and with other industrial enterprises which it could offer to Vietnam in addition to investing in the development of large natural rubber fields in Vietnam.

Discusses Ties With Vo Van Kiet

BK0610162995 Hanoi VNA in English 1519 GMT 6 Oct 95

[FBIS Transcribed Text] Hanoi VNA Oct. 6 — Prime Minister Vo Van Kiet this afternoon called on Iranian President A.H Rafsanjani, who arrived here on Thursday for a four-day visit as guest of President Le Duc Anh.

Speaking on this occasion, the visiting president expressed his satisfaction at his visit which, he said, would be a new step of development in the Iran-Vietnam friendship and cooperation. 'This accords with Iran's policy, i.e. to intensify economic cooperation in the region and with other Asian nations at large,' he added.

For his part, Vo Van Kiet said that Iran was an oil-rich country and that would help promote the economic and commercial cooperation between the two countries.

'All agreements to be signed in Hanoi during the visit will be a bridge for the closer Vietnam-Iran relationship in the interest of each country and for the development in the two regions,' Mr. Kiet told the Iranian dignitary.

In the morning, the visiting president and his entourage laid a wreath at the monument to martyrs in Hanoi, visited the late president Ho Chi Minh's mausoleum and his home and office, and also toured the army's museum in downtown Hanoi.

Describes Visit as 'Successful'

BK0710074895 Hanoi VNA in English
1526 GMT 6 Oct 95

[FBIS Transcribed Text] Hanoi VNA Oct. 6 — Documents have been made available for signing during this visit, said President A.H. Rafsanjani at a press conference called here this evening.

The visiting president told the mediamen that Iran and Vietnam would cooperate in trade, investment, science and technology, etc. Iran would join hands with Vietnam to build tea-processing, rubber and phosphate factories in Vietnam and import products from those factories.

Iran would take part in tendering for an oil refinery and involve in mining and processing bauxite in Vietnam, he added.

To these ends, Iran's commercial office here would be set up soon, he stressed.

Asked about his current visit which, he described as 'successful', President Rafsanjani said that his visit as well as President Le Duc Anh's Iran visit last year are aimed at seeking ways and means to broaden bilateral economic cooperation.

Agreements Signed During Visit

LD0810120995 Tehran IRNA in English
1024 GMT 8 Oct 95

[FBIS Transcribed Text] Hanoi, Oct. 8, IRNA — A 13-article letter of understanding was signed by Iranian and Vietnamese ministers of foreign affairs and agriculture on the third and last day of the high-ranking Iranian delegation's visit to Hanoi.

The agreement reached by the two sides in the presence of President Akbar Hashemi-Rafsanjani and his Vietnamese counterpart Le Duc Anh, outlined bilateral cooperation in various fields including politics, culture, agriculture, industry, banking, trade and investment as well as building construction, oil, post, mines, communications and transportation.

According to the agreement, Vietnam allowed the leasing of some 20,000 hectares of its land to the Islamic Republic of Iran for the cultivation of rubber.

The establishment of a tea factory in Vietnam, research cooperation on different kinds of rice as well as silk and food industries were also among other projects agreed by the two sides.

The Islamic Republic of Iran is to purchase some 300,000 tons of rice, 5,000 tons of tea and 20,000 tons of rubber from Vietnam and in exchange, it will sell its vehicles, cement, steel and 20 asphalt factories to that country, in addition to cooperation in the establishment of five cement factories.

Iran and Vietnam also agreed on air transportation cooperation, as well as the setting up of exploration and exploitation of oil and gas entities in Vietnam.

President Rafsanjani arrived here Thursday on the first leg of his Southeast Asian tour which would later take him to the Philippines and Bangladesh.

The Iranian president and his accompanying delegation left Hanoi for the city of Ho Chi Minh Saturday morning.

Witnesses Signing of Agreements

BK0710154895 Hanoi VNA in English
1455 GMT 7 Oct 95

[FBIS Transcribed Text] Hanoi VNA Oct.7 — Vietnamese State President Le Duc Anh and Iranian President A.H. Rafsanjani today witnessed the signing of a number of cooperation agreements.

The signed documents include an agreement on cultural cooperation signed by Vietnamese Minister of Culture and Information Tran Hoan and Iranian Foreign Minister Dr. 'Ali Akbar Velayati, and a memorandum of understanding (MOU) on economic, commercial, scientific and technological cooperation of the first session of the Iran-Vietnam Joint Commission (IVJC) signed by Vietnamese Minister of the Agriculture and Food Industry Nguyen Cong Tan and Iranian Minister of Agriculture Kalantari. Mr. Kalantari and Mr. Nguyen Cong Tan are also presidents of the sub-commissions of their countries respectively in the IVJC.

Leaves for Ho Chi Minh City

BK0710160095 Hanoi VNA in English
1455 GMT 7 Oct 95

[FBIS Transcribed Text] Hanoi VNA Oct.7 — Iranian President A.H. Rafsanjani left Hanoi today for Ho Chi Minh City, the second leg of his visit to Vietnam.

He was seen off at the Presidential Palace by President Le Duc Anh, Deputy Prime Minister Nguyen Khanh, head of the State President Office Nguyen Viet Dzung, Minister of Culture and Information Tran Hoan, Minister of Agriculture and Food Industry Nguyen Cong Tan, Deputy Foreign Minister Nguyen Dinh Bin, and other senior officials.

At the farewell ceremony, President Anh thanked the Iranian President and his party for their visit to Vietnam which, he said, marked a new development step in the relations between the two countries. He expressed his belief that the bilateral cooperation would be further developed in conformity with each country's potential.

President Rafsanjani, for his part, expressed his wish that the documents just signed in Hanoi would be effectively implemented by the relevant agencies of the two sides.

Departs After Four-Day Visit

BK0810152795 Hanoi VNA in English
1423 GMT 8 Oct 95

[FBIS Transcribed Text] Hanoi VNA Sept. 8—Iranian President A.H. Rafsanjani, his wife and entourage left Ho Chi Minh City today, ending their four-day official visit to Vietnam.

During the visit, senior officials of the Ministries of Transports and Communications, Heavy Industry, and National Defence of the two sides had working sessions with each other.

The Iranian first lady called at the Vietnam Women's Union, the Xa Dan Deaf-Mute School in Hanoi and some kindergartens.

While in Ho Chi Minh City, the Iranian guests made tour of a number of economic establishments and had a cordial meeting with leaders of the municipal people's committee.

Before leaving, President Rafsanjani reaffirmed the success of the visit which, he said has ushered in a [word indistinct] the bilateral relations.

President Le Duc Anh Departs for Brazil, Cuba

BK0810115995 Hanoi Voice of Vietnam in English
1000 GMT 8 Oct 95

[FBIS Transcribed Text] Vietnamese President Le Duc Anh left Hanoi on Sunday for the official friendship visits to Brazil and Cuba. This is the first visit to Brazil by the Vietnamese head of state and a second time to Cuba.

On this occasion, the daily newspaper NHAN DAN ran an editorial saying that the visits show Vietnam's desire to strengthen friendship and cooperation between Vietnam and the two countries, as well as with other countries in Latin America.

Council Formed To Control ASEAN Interest

BK0910141495 Hanoi VNA in English
0723 GMT 9 Oct 95

[FBIS Transcribed Text] Hanoi VNA Oct. 9 — The prime minister issued an instruction on Oct. 6 to set up a national committee to control Vietnam's activities in ASEAN (the National ASEAN Committee), which has been put under the direct guidance of Deputy Prime Minister Tran Duc Luong, in order for Vietnam to effectively take part in ASEAN's activities.

The Foreign Ministry will also organise a national ASEAN secretariat to replace the ASEAN Secretariat of Vietnam set up earlier.

All ministries and other government agencies will have to pay attention to their cooperation with ASEAN by establishing ASEAN sections which include proficient English speaking staff. These sections will be put under the co-ordination of the government office with a view to updating information, reviewing activities, providing consultancy and raising the effectiveness of Vietnam's activities in all fields in ASEAN.

European Union Investment for Past Five Years

BK0710155795 Hanoi VNA in English
1507 GMT 7 Oct 95

[FBIS Transcribed Text] Hanoi VNA Oct.7 — Up to September this year, eleven among the 15 countries in the European Union (except Portugal, Spain, Greece and Iceland) had invested in 139 projects in Vietnam with a capital of almost USD two billion.

This compares to a total of 1,400 investment projects capitalized at USD 18 billion which Vietnam has attracted from 70 countries in the world. The increase in the EU countries' investment in Vietnam can be seen in the fact that the capital they put in Vietnam in the first six months of 1995 is almost equal to the combined figure for 1993 and 1994.

The sector which has drawn most EU investment is the oil and gas industry, accounting for 50 percent of the number of foreign joint ventures with Petro-Vietnam. At present, five EU projects are operating in the field of oil and gas exploration and exploitation capitalized at least at USD 50 million each.

Second in importance is the postal and telecommunication sector where the biggest project is a joint venture with the Swedish company Kinnevik and Comvik in Hanoi. EU investors are also interested in the planting and processing of agricultural products. In this respect, France came on top with a USD 95 million project for sugarcane planting and sugar refining in Tay Ninh Province. Second is the Dutch Friesland holding with a USD 29 million project in milk processing. Mention can also be made of a series of distillery and brewery projects of France, Denmark and Holland.

In the domain of hotel and tourism, France is the earliest comer with a USD 50 million project for the restoration and upgrading of the Metropole Hotel in Hanoi of which the first phase has been completed.

At present, five European Union countries are listed among the eleven biggest investing countries in Vietnam each of which has put in at least USD 100 million. France ranks first with USD 582 million, followed by Holland with USD 400 million, Sweden USD 375 million, Britain with USD 366 million and Denmark with USD 105 million.

UNIDO Accord Signed on Industrial Development

BK0710160395 Hanoi VNA in English
1455 GMT 7 Oct 95

[FBIS Transcribed Text] Hanoi VNA October 7 — Deputy head of the State Planning Committee, Vo Hong Phuc and head representative of the United Nations Industry Development Organisation (UNIDO) Mr M. Brening, signed here this afternoon a USD 1.4 million project codenamed US/VIE/95/058 in the framework of an agreement signed by the Vietnamese Government and UNIDO on the cooperation in industrial development.

The project, which will be conducted in 15 months since October this year, is to help the State Planning Committee compile a strategy on mid-term industrial development and implement this strategy.

Apart from UNIDO, UNDP [UN Development Program], the Governments of Japan, Republic of Korea, Sweden and Australia also provide funds to the project.

Vo Van Kiet Interviewed on Assembly Report

BK0610123295 Hanoi Voice of Vietnam Network
in Vietnamese 1100 GMT 3 Oct 95

[Interview with Prime Minister Vo Van Kiet by an unidentified correspondent of Voice of Vietnam Radio at Ba Dinh Hall, Hanoi, on 3 October — recorded]

[FBIS Translated Text] [Correspondent] Dear Prime Minister, at the opening of the Ninth National Assembly's Eighth Session on 3 October you read a report on behalf of the government on implementing 1995 socioeconomic tasks and orientations and tasks for 1996. Among the achievements of 1995, which make you feel happiest?

[Vo Van Kiet] The most encouraging outcome of 1995 is the pace of development. All of our major goals are likely to be met. In 1995 the government, even with its limited experience, guided many projects and campaigns to a certain level of success, though not in all areas. One example is the campaign to restore order and safety to the traffic. The disorderly traffic situation had become a normal occurrence to citizens, and cadres as well. We initially restored a certain level of order, but of course it is not yet at the level we want.

[Correspondent] Dear Prime Minister, apart from our encouraging achievements in 1995, is there something about which you do not feel happy and what can be done about it in the remaining part of the year and in 1996?

[Vo Van Kiet] The things I worry about most and which I also mentioned in my report to the National Assembly today, are the two issues in the process of renovation. They are the renovation of the financial and monetary system, and the continuation of the administration reforms. We should speed up all procedures of state management, and avoid inconveniences for the people when dealing with the agencies. The year 1996 is the beginning of the five-year plan. It is significant because it is a transitional year. Development momentum should be maintained and the shortcomings should be rectified. In short we have to stay one step ahead in the development of all fields. As mentioned in my report, the year 1996 will be a year for comprehensive construction and development, including the economy, social issues, security and national defense, and all other interrelated fields, such as social [as heard], cultural, and education issues. That will be an opening for the later years.

[Correspondent] Thank you, prime minister.

President Visits Military Technical Institute

BK0710111895 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 4 Oct 95

[FBIS Translated Text] On the occasion of 35th founding anniversary of the Military Technical Institute, cadres and combatants of the Military Technical Institute had the honor this afternoon [4 October] to receive President Le Duc Anh, who paid the institute a visit and told the delegates attending the conference to review the 10-year technological activities of the institute.

Addressing the cadres and combatants of the Military Technical Institute, President Le Duc Anh conveyed to them congratulatory greetings on behalf of the party and state for their past contributions to national independence and the defense of freedom, and their current contribution to turning the institute into the Army's leading science and technology center.

President Le Duc Anh stressed that the state as well as the Army need to constantly develop the contingent of science and technology cadres, especially the leading experts of the various sectors. He reminded the institute to focus more on modern facilities for research and laboratory sections, and to have an appropriate policy to help nurture and encourage scientific talent in the Army.

The president also reminded the cadres and combatants of the Military Technical Institute to build on their current achievements; to endeavor constantly to improve themselves in learning new military technologies, especially modern technologies from foreign countries and from domestic research; to renovate their research work; and to heighten their intellectual abilities and innovative spirit in order to better meet the demands of national defense and construction.